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OIL AND GAS CONSERVATION BOARD

**Application by
Alberta and Southern Gas Co. Ltd.
for a permit authorizing the removal
of gas from the Province of Alberta**

**VOLUME III
Gas Purchase Contracts
1957**

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Energy 1958

Exhibit no. C-17-3
vol. 3

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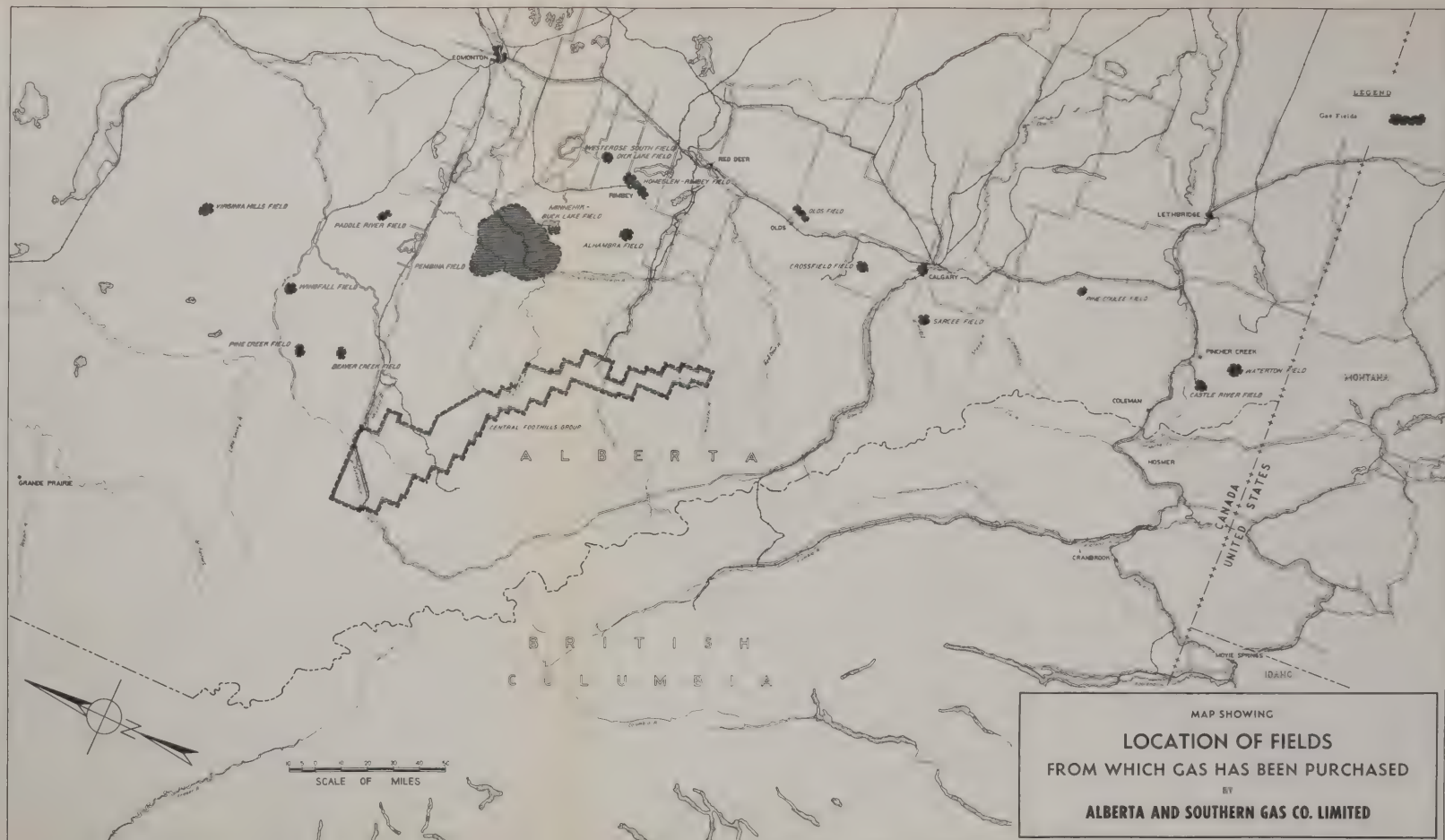
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Date

Witness

LOCATION OF FIELDS
FROM WHICH
GAS HAS BEEN PURCHASED

ALBERTA AND SOUTHERN GAS CO. LTD.



SCHEDULE OF
GAS PURCHASE CONTRACTS
(as at 24 January, 1958)

ALBERTA AND SOUTHERN GAS CO. LTD.

REVISED SCHEDULE

OF

GAS PURCHASE CONTRACTS

GAS PURCHASE CONTRACTS

<u>Date</u>	<u>Description of Contract</u>	<u>Seller</u>	<u>Field or Area</u>	<u>Contract Quantity in Millions of cubic feet per day converted to 14.4 psia</u>
1 Nov. '57	Contract	Shell Oil Co. & Canadian Shell Explorations Ltd.	Waterton	112.5
do	do	do	Crossfield	25.6
do	do	do	Sarcee	61.4
do	do	do	Homeglen- Rimbey	12.3
4 Oct. '57	Letter of Committal and Draft Contract	California Stan- dard Company	Dick Lake)	100.0 *
)	
)	
30 Sept. '57	do	British Amer- ican Oil Co.Ltd.	Dick Lake)	
29 Aug. '57	Agreement	Texaco Exploration Co.	Castle River and other areas	40.8
22 Nov. '57	Contract	Texaco Explor- ation Co.	Pine Coulee	8.1
20 Nov. '57	Contract	Bailey-Selburn Oil & Gas Ltd.	Pine Coulee	4.0
20 Nov. '57	Contract	Selbay Explor- ations Ltd.	Pine Coulee	2.0
12 Dec. '57	Contract	Alida Oil Co. Ltd.	Minnehik- Buck Lake	10.2
10 Jan. '58	Contract	Tennessee Gas Transmission Co.	Crossfield	7.5
21 Jan. '58	Contract	Texaco Explor- ation Co. McColl-Frontenac Oil Co. Ltd.	Homeglen- Rimbey	4.6
				<hr/> 389.0

* This figure is an estimate not
yet settled by the contracts.

Contract Quantity in
Millions of cubic feet
per day converted to
14.4 psia

<u>Date</u>	<u>Description of Contract</u>	<u>Seller</u>	<u>Field or Area</u>
25 Sept.'57	Contract	Jupiter Oils Ltd.	Pembina
"	"	Anglo Canadian Oil Co.(1955)Ltd.	"
"	"	Bailey Selburn Oil & Gas Ltd.	"
"	"	Bralsaman Petrol- eum Ltd.	"
"	"	Hudson's Bay Oil and Gas Co. Ltd.	"
"	"	Capcana Corpora- tion	"
"	"	Consolidated Mic- Mac Oils Ltd.	"
"	"	Texaco Explora- tion Co.	"
"	"	Romac Oils Ltd.	"
"	"	The California Standard Co.	"
23 Sept.'57	"	The Ohio Oil Co.	"
25 Sept.'57	"	Crow's Nest Pass Coal Co. Ltd.	"
"	"	Climax Molybdenum Co.	"
"	"	Consolidated Copper- mines Corporation	"
24 Sept.'57	"	Okalta Oils, Ltd.	"
23 Sept.'57	"	Honolulu Oil Cor- poration	"

Fwd. 389.0

Fwd. 389.0

<u>Date</u>	<u>Description of Contract</u>	<u>Seller</u>	<u>Field or Area</u>	Contract Quantity in Millions of cubic feet per day converted to 14.4 psia	
				Fwd.	
25 Sept.'57	Contract	Cree Oil of Canada Ltd.	Pembina		
"	"	Triad Oil Co. Ltd.	"		
15 Sept.'57	"	Canadian Sea- board Oil Co.	"		
25 Sept.'57	"	Devon Palmer Oils Ltd.	"		
"	"	Kroy Oils Ltd.	"		
"	"	Trans-Canada Ex- plorations Ltd.	"		
"	"	Whitehall Canadian Oils Ltd.	"		
"	"	Luscar Coals Ltd.	"		
"	"	Mountain Park Coals Ltd.	"		
"	"	Colorado Oil and Gas Ltd.	"		
"	"	Westburne Oil Development Ltd.	"		
"	"	Canpet Exploration Ltd.	"		
"	"	West Maygill Gas and Oil Ltd.	"		
"	"	Trans Empire Oils Ltd.	"		
"	"	New Superior Oils of Canada Ltd.	"		
"	"	Altex Oils Ltd.	"		
				Fwd.	389.0

<u>Date</u>	<u>Description of Contract</u>	<u>Seller</u>	<u>Field or Area</u>	Contract Quantity in Millions of cubic feet per day converted to 14.4 psia	
				Fwd.	
25 Sept.'57	Contract	Pan American Petroleum Corpn.	Pembina		
"	"	Carleton Oils Ltd.	"		
"	"	The Petrol Oil & Gas Co. Ltd.	"		
"	"	Fargo Oils Ltd.	"		
"	"	Winter Oil Co.	"		
"	"	Southwest Potash Corporation	"		
"	"	Murphy Corporation	"		
"	"	Amurex Oil Co.	"		
"	"	Scurry Oils Ltd.	"		
"	"	Scurry-Rainbow Oil Ltd.	"		
"	"	Trinidad Central Oilfields Ltd.	"		
3 Oct.'57	"	Pancan Oils Ltd.	"		
4 Oct.'57	"	Mobil Oil of Canada Ltd.	"		
11 Oct.'57	"	Alida Oil Co. Ltd.	"		
"	"	Medallion Petrol- eums Ltd.	"		
25 Sept.'57	"	Plymouth Oil Co.	"		
"	"	Benedum-Trees Oil Company	"		
11 Oct.'57	"	Sinclair Canada Oil Co.	"		
				Fwd.	389.0

Contract Quantity in
Millions of cubic feet
per day converted to
14.4 psia

Fwd. 389.0

<u>Date</u>	<u>Description of Contract</u>	<u>Seller</u>	<u>Field or Area</u>
24 Sept. '57	Contract	French Petroleum Co. of Canada Ltd.	Pembina
18 Oct. '57	do	McColl-Frontenac Oil Co. Ltd.	do
do	do	Tennessee Gas Transmission Co.	do
25 Sept. '57	do	Great Plains Development Co. of Canada Ltd.	do
21 Oct. '57	do	Ashland Oil & Refining Co.	do
22 Oct. '57	do	New Concord Development Corp. Ltd.	do

66.5

455.5

GAS PURCHASE OPTIONS

<u>Date</u>	<u>Description</u>	<u>Seller</u>	<u>Field or Area</u>	<u>Reserves up to</u>
1 Nov. '57	Option	Shell Oil Co. & Canadian Shell Explorations Ltd.	South of Twp.51 West of Rge.24 to Twp.23 and West of Rge.15 to Int'l Boundary (excludes Okotoks & Jumping Pound but includes reserves in Water- ton, Crossfield, Sarcee & Homeglen- Rimbey Page 1.)	348.7 M ² cf/Day
15 Oct. '57	Agreement (100.0) and Option (50.0)	California Standard Co.	South of Atha- baska River. West of Edmonton- Calgary Line, North of Twp.6 (in addition to Pembina & Dick Lake)	100.0 M ² cf/Day 50.0 M ² cf/Day
25 Nov. '57	Option	Canadian Fina Oil Ltd.) Hudson's Bay Oil & Gas Co. Ltd.) Pan American Petroleum Corp.)	Whitecourt	112.5 M ² cf/Day
29 Nov. '57	Option	Mobil Oil of Canada Ltd.	Virginia Hills)	102.3 M ² cf/Day
29 Nov. '57	Option	Mobil Oil of Canada Ltd.	Alhambra)	
3 Dec. '57	Option	Imperial Oil Ltd.	West of 5th M. South Athabaska River approx.	83.8 M ² cf/Day

GAS PURCHASE CONTRACTS AND
OPTIONS UNDER NEGOTIATION.

<u>Producer</u>	<u>Field or Area</u>	<u>Estimated Reserves up to -</u>
Several other Producers	Minnehik-Buck Lake	13.7 M ² cf/Day
British American Oil Co.Ltd.) Triad Oil Co. Ltd.) Royalite Oil Co. Ltd.) Sun Oil Co.)	Central Foothills	109.6 M ² cf/Day
Honolulu Oil Corp.) Tennessee Gas Transmission) Co.) Canada-Cities Service Pet.) Corp.)	Paddle River	29.9 M ² cf/Day
Several other Producers, all holding small acreage, for remaining uncommitted reserves	Crossfield	16.8 M ² cf/Day
Cree Oil of Canada Ltd.) Canadian Oil Cos.) Supertest Pet. Corp.Ltd.)	Lobstick	11.0 M ² cf/Day

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WATERTON FIELD GAS PURCHASE CONTRACT

Between:

SHELL OIL COMPANY AND CANADIAN SHELL EXPLORATIONS LIMITED
Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.
Buyer

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Date	Description	Debit	Credit	Balance
1901	Jan 1 Balance			100.00
1902	Jan 1 Balance			100.00
1903	Jan 1 Balance			100.00
1904	Jan 1 Balance			100.00
1905	Jan 1 Balance			100.00
1906	Jan 1 Balance			100.00
1907	Jan 1 Balance			100.00
1908	Jan 1 Balance			100.00
1909	Jan 1 Balance			100.00
1910	Jan 1 Balance			100.00
1911	Jan 1 Balance			100.00
1912	Jan 1 Balance			100.00
1913	Jan 1 Balance			100.00
1914	Jan 1 Balance			100.00
1915	Jan 1 Balance			100.00
1916	Jan 1 Balance			100.00
1917	Jan 1 Balance			100.00
1918	Jan 1 Balance			100.00
1919	Jan 1 Balance			100.00
1920	Jan 1 Balance			100.00

THIS GAS PURCHASE CONTRACT made the 1st day of
November, 1957,

BETWEEN

SHELL OIL COMPANY, a body corporate,
having an office and carrying on business
in the City of Calgary, in the Province of
Alberta, and

CANADIAN SHELL EXPLORATIONS
LIMITED, a body corporate, having an
office and carrying on business in the City
of Toronto, in the Province of Ontario,

(hereinafter jointly referred to as "Seller")

OF THE FIRST PART

-and-

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,

(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric
Company, a California corporation, hereinafter referred to as "P. G. and
E.";

AND WHEREAS P. G. and E. and certain subsidiaries (includ-
ing Buyer) and/or affiliates of P. G. and E., hereinafter referred to as

"the participants", propose to construct and operate a natural gas pipeline project, hereinafter called "The Project", having for its principal purpose the transportation of gas purchased by Buyer to the existing integrated transmission and distribution system of P. G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Waterton Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A. M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A. M. on the first day of a calendar month and ending at 8:00 o'clock A. M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve

consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°)

Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof, less the quantities of gas reserved to Seller hereunder.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to Buyer, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of ob-

(V. F. G.)
(P. L. K.)
(J. S. M.)

jection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to Buyer from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all other necessary authorizations, in form acceptable to Buyer, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

The provisions of this Section 1 shall apply mutatis mutandis to the permits, certificates, and other authorizations required to be obtained by Seller under applicable laws and regulations.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June

(V. F. G.)

(P. L. K.)

(J. S. M.)

1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when, whether and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's

ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce

any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than 110,000 Mcf per day for a twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially 110,000 Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

JSM
PLK
VFG

JSM
PLK
VFG

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas

requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. Seller agrees that it will use its best efforts to increase its available reserves. In the event that by 1 July 1959 said reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%)

of the initial Daily Contract Quantity per day for a twenty-five (25) year period, then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%), effective 1 July 1963.

3. Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity not later than the date The Project is ready for operation, and one hundred and twenty percent (120%) of the Daily Contract Quantity, as it may exist from time to time, thereafter; provided, however, that Seller shall not be required to carry its overall development program beyond what the Seller considers to be commercially attractive.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the

next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, Buyer shall have the right to

reduce the Daily Contract Quantity to a volume equal to eighty three and one-third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per

square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in

addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer's only remedy shall be the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at 12.10 pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the methodology used in the study. The second part of the paper presents the results of the study and discusses the implications of the findings. The third part of the paper concludes the study and provides recommendations for future research.

The results of the study show that there is a significant relationship between the variables studied. The findings suggest that the study has important implications for the field of research. The study also highlights the need for further research in this area. The study concludes by providing recommendations for future research and a final summary of the findings.

The study also highlights the need for further research in this area. The study concludes by providing recommendations for future research and a final summary of the findings. The study also highlights the need for further research in this area. The study concludes by providing recommendations for future research and a final summary of the findings.

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by

Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said field at the point of delivery hereunder, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be carefully documented to ensure the integrity of the financial data. This includes recording dates, amounts, and the nature of the transactions.

Secondly, the document outlines the procedures for reconciling accounts. It states that accounts should be reconciled at the end of each month to identify any discrepancies. If a discrepancy is found, it should be investigated immediately to determine the cause and correct the error.

Thirdly, the document addresses the issue of budgeting. It advises that a budget should be established at the beginning of each fiscal year and should be reviewed regularly. This helps in monitoring expenses and ensuring that they remain within the allocated budget.

Finally, the document concludes by stating that the primary goal of financial management is to ensure the financial health and stability of the organization. This requires a commitment to transparency, accuracy, and responsible financial practices.

delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except

that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty three and one-third percent (83-1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure,

then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection (i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X

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shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075	1.075
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of less than 975 to 950 inclusive	.950

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within

ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half ($1/2$) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf

payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than one Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110)

United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder dur-

ing such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renegotiation)

tiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to all other remedies available to it by law, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller with-

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical analysis performed.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend of increasing activity over time.

4. The fourth part of the document discusses the implications of the findings. It suggests that the results have significant implications for the field of study and may lead to further research in this area.

5. The fifth part of the document concludes the study. It summarizes the main findings and provides a final statement on the importance of the research.

in such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil

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disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, or by any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provisions shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the methodology used in the study. The second part of the paper presents the results of the study and discusses the implications of the findings. The third part of the paper concludes the study and provides some final thoughts on the research.

The study was conducted using a qualitative research approach. The data was collected through interviews with participants who were selected through purposive sampling. The interviews were conducted in a semi-structured format, allowing the researcher to explore the topics in depth while also following a general guide. The data was then analyzed using thematic analysis, which involves identifying themes or patterns in the data.

The findings of the study suggest that there are several factors that influence the outcomes of the research. These factors include the quality of the data, the reliability of the participants, and the effectiveness of the research methods. The study also found that there are some limitations to the research, such as the small sample size and the lack of generalizability of the findings.

In conclusion, the study provides valuable insights into the research process and the importance of using appropriate research methods. It also highlights the need for further research in this area to address the limitations of the current study.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to failure of title through inadvertence or causes beyond the reasonable control of Seller and to the applicable laws, rules and regulations, Seller's leases are, in Seller's opinion, in full force and effect and capable of being maintained and Seller agrees it will not, except through inadvertence, sell, quit claim or otherwise dispose of any of said leases for as long as in Seller's opinion gas can be produced therefrom in paying quantities if the result of so doing will be to reduce Seller's ability to fully perform its undertakings hereunder, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments

to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the

The first part of the paper discusses the importance of the study and the objectives of the research. It then proceeds to a literature review, followed by a description of the methodology used in the study. The results of the study are presented in the next section, followed by a discussion of the findings and their implications. The paper concludes with a summary of the main points and a list of references.

The study was conducted in a laboratory setting, using a series of experiments to measure the effects of the treatment on the response of the subjects. The results of the study are presented in the next section, followed by a discussion of the findings and their implications. The paper concludes with a summary of the main points and a list of references.

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deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller

shall proceed with such additional development as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within six (6) months from and after such determination to complete such additional development as may be necessary to comply with Section 3 of Article IV, Buyer shall have the right, in addition to all other remedies available to it by law, to reduce the Daily Contract Quantity to eighty three and one-third percent ($83\frac{1}{3}\%$) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make every reasonable effort to make available and dedicate to this Contract such additional uncommitted quantities of gas as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess

The first part of the paper discusses the importance of maintaining accurate records of all transactions. This is essential for the proper management of the company's finances and for ensuring that all transactions are properly documented. The second part of the paper discusses the importance of maintaining accurate records of all transactions. This is essential for the proper management of the company's finances and for ensuring that all transactions are properly documented.

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reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Notwithstanding anything to the contrary contained in this Contract, Buyer's sole remedy for any insufficiency in the reserves required for the performance of this Contract shall be the reduction of the Daily Contract Quantity.

5. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to

The first part of the paper discusses the importance of the study and the objectives of the research. It also outlines the methodology used in the study and the results obtained. The second part of the paper discusses the implications of the study and the conclusions drawn from the research. It also provides a summary of the findings and a list of references.

The study was conducted in a laboratory setting and involved the use of a series of tests to measure the performance of the system. The results of the tests were compared to the theoretical predictions and the conclusions drawn from the research. The study found that the system performed well under the conditions tested and that the theoretical predictions were generally accurate.

The implications of the study are that the system can be used in a variety of applications and that the results of the research can be used to improve the design of the system. The conclusions drawn from the research are that the system is a viable option for the application and that the results of the research can be used to improve the design of the system.

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furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party has executed this Contract as Seller and more than one of such parties is involved in the same controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. The second part outlines the various methods and tools used to collect and analyze data. This includes both traditional manual methods and modern digital technologies, highlighting the benefits of each approach.

3. The third part focuses on the role of the management team in overseeing the data collection process. It stresses the need for clear communication, delegation of responsibilities, and regular monitoring of progress.

4. The fourth part discusses the challenges often encountered during data collection, such as incomplete information, inconsistent data, and time constraints. It provides strategies to overcome these challenges and ensure the quality of the data collected.

5. The fifth part concludes by summarizing the key findings and recommendations. It reiterates the importance of a systematic and consistent approach to data collection and suggests areas for future improvement.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd.
140-6th Avenue S. W.
Calgary, Alberta

SELLER: Shell Oil Company
1027-8th Avenue West
Calgary, Alberta

Canadian Shell Explorations Limited
600 University Avenue
Toronto, Ontario.

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

RECEIVED
JAN 10 1964
BY
DR. J. H. GOLDSTEIN

FROM
DR. J. H. GOLDSTEIN
1001 S. MICHIGAN AVE.
CHICAGO, ILL. 60607

The following information was obtained from a study of the
infrared spectra of the polymers prepared from the reaction of
the monomers with the catalyst system. The polymers were
prepared by the method of Goldstein and co-workers, and the
infrared spectra were recorded on a Perkin-Elmer 521
Infrared Spectrophotometer. The polymers were prepared from
the monomers and catalyst system in the following manner:

1. The monomers were prepared by the method of Goldstein and
co-workers, and the catalyst system was prepared by the method
of Goldstein and co-workers. The polymers were prepared by the
method of Goldstein and co-workers, and the infrared spectra were
recorded on a Perkin-Elmer 521 Infrared Spectrophotometer.

2. The monomers were prepared by the method of Goldstein and
co-workers, and the catalyst system was prepared by the method
of Goldstein and co-workers. The polymers were prepared by the
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method of Goldstein and co-workers, and the infrared spectra were
recorded on a Perkin-Elmer 521 Infrared Spectrophotometer.

reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

SHELL OIL COMPANY

(Seal)

By Paul L. Kartzke
Vice-President

By _____

CANADIAN SHELL EXPLORATIONS LIMITED

By V. F. Grafstrom (Seal)
Vice-President

By T. B. Brown
Assistant Secretary

"SELLER"

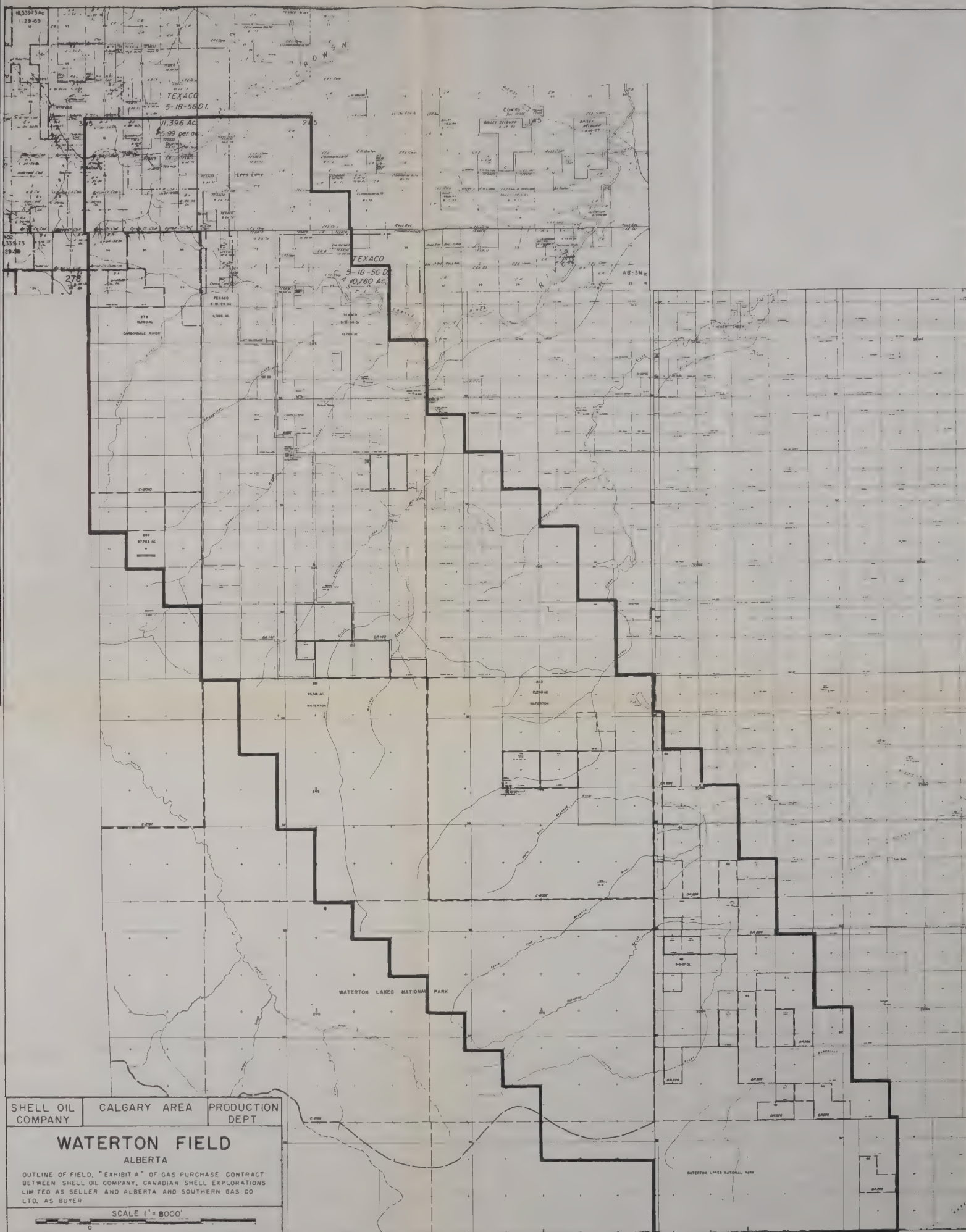
ALBERTA AND SOUTHERN GAS CO. LTD.

(Seal)

By J. S. Moulton
Vice-President

By R. L. Winton
Secretary

"BUYER"



SHELL OIL COMPANY	CALGARY AREA	PRODUCTION DEPT
WATERTON FIELD ALBERTA		
OUTLINE OF FIELD, "EXHIBIT A" OF GAS PURCHASE CONTRACT BETWEEN SHELL OIL COMPANY, CANADIAN SHELL EXPLORATIONS LIMITED AS SELLER AND ALBERTA AND SOUTHERN GAS CO. LTD. AS BUYER		
SCALE 1" = 8000'		
Drafting By _____	Date AUG 28, 1957	Rev. 149
Geology By _____	Approved _____	Date _____
Enclosure N ^o _____	Production Tc _____	Drawing N ^o PC 1444

CROSSFIELD FIELD GAS PURCHASE CONTRACT

Between:

SHELL OIL COMPANY AND CANADIAN SHELL EXPLORATIONS LIMITED
Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.
Buyer

I N D E X

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THIS GAS PURCHASE CONTRACT made the 1st day of
November, 1957,

BETWEEN

SHELL OIL COMPANY, a body corporate,
having an office and carrying on business
in the City of Calgary, in the Province of
Alberta, and

CANADIAN SHELL EXPLORATIONS
LIMITED, a body corporate, having an
office and carrying on business in the City
of Toronto, in the Province of Ontario,

(hereinafter jointly referred to as "Seller")

OF THE FIRST PART

-and-

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,

(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric
Company, a California corporation, hereinafter referred to as "P. G. and
E.";

AND WHEREAS P. G. and E. and certain subsidiaries (includ-
ing Buyer) and/or affiliates of P. G. and E., hereinafter referred to as

"the participants", propose to construct and operate a natural gas pipeline project, hereinafter called "The Project", having for its principal purpose the transportation of gas purchased by Buyer to the existing integrated transmission and distribution system of P. G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the _____ Crossfield _____ Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A. M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A. M. on the first day of a calendar month and ending at 8:00 o'clock A. M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve

consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°)

Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof, less the quantities of gas reserved to Seller hereunder.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to Buyer, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of ob-

(V. F. G.)
(P. L. K.)
(J. S. M.)

jection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to Buyer from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all other necessary authorizations, in form acceptable to Buyer, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

The provisions of this Section 1 shall apply mutatis mutandis to the permits, certificates, and other authorizations required to be obtained by Seller under applicable laws and regulations.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June

(V. F. G.)

(P. L. K.)

(J. S. M.)

1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when, whether and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's

ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce

any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than 25,000 Mcf per day for a twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially 25,000 Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas

VFG
JSM
PLK

JSM
PLK
VFG

requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and if the volume of gas requested by Buyer is not available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. Seller agrees that it will use its best efforts to increase its available reserves. In the event that by 1 July 1959 said reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%)

of the initial Daily Contract Quantity per day for a twenty-five (25) year period, then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%), effective 1 July 1963.

3. Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity not later than the date The Project is ready for operation, and one hundred and twenty percent (120%) of the Daily Contract Quantity, as it may exist from time to time, thereafter; provided, however, that Seller shall not be required to carry its overall development program beyond what the Seller considers to be commercially attractive.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the

next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, Buyer shall have the right to

reduce the Daily Contract Quantity to a volume equal to eighty three and one-third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per

square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in

addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer's only remedy shall be the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at 12.70 pounds per square inch absolute.
2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.
3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by

Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half ($1/2$) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said field at the point of delivery hereunder, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the methodology used in the study. The second part of the paper presents the results of the study and discusses the implications of the findings. The third part of the paper concludes the study and provides some final thoughts on the research.

The study was conducted using a qualitative research approach. The data was collected through interviews with participants who were selected through purposive sampling. The interviews were conducted in a semi-structured format, allowing the researcher to explore the topics in depth while also following a general guide. The data was then analyzed using thematic analysis, which involves identifying themes or patterns in the data.

The findings of the study suggest that there are several factors that influence the outcomes of the research. These factors include the quality of the data, the reliability of the participants, and the effectiveness of the research methods. The study also highlights the importance of careful planning and execution in conducting research.

In conclusion, the study provides valuable insights into the research process and the factors that influence its outcomes. The findings suggest that researchers should pay attention to the quality of their data and the reliability of their participants, as well as the effectiveness of their research methods. This will help to ensure that the results of the study are accurate and reliable.

delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except

that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty three and one-third percent (83-1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure,

then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection (i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

Date		Description	Amount
1/1/2023		Initial deposit	\$10,000.00
1/15/2023		Withdrawal for expenses	\$2,500.00
2/1/2023		Interest received	\$150.00
2/15/2023		Deposit from client	\$5,000.00
3/1/2023		Withdrawal for salaries	\$3,000.00
3/15/2023		Deposit from client	\$4,000.00
4/1/2023		Withdrawal for utilities	\$1,000.00
4/15/2023		Deposit from client	\$3,500.00
5/1/2023		Withdrawal for taxes	\$2,000.00
5/15/2023		Deposit from client	\$4,500.00
6/1/2023		Withdrawal for insurance	\$1,500.00
6/15/2023		Deposit from client	\$3,000.00
7/1/2023		Withdrawal for rent	\$2,500.00
7/15/2023		Deposit from client	\$4,000.00
8/1/2023		Withdrawal for salaries	\$3,000.00
8/15/2023		Deposit from client	\$4,500.00
9/1/2023		Withdrawal for utilities	\$1,000.00
9/15/2023		Deposit from client	\$3,500.00
10/1/2023		Withdrawal for taxes	\$2,000.00
10/15/2023		Deposit from client	\$4,000.00
11/1/2023		Withdrawal for insurance	\$1,500.00
11/15/2023		Deposit from client	\$3,000.00
12/1/2023		Withdrawal for rent	\$2,500.00
12/15/2023		Deposit from client	\$4,500.00

The second part of the document provides a detailed analysis of the financial data presented in the table above. It highlights the overall trend of the business, showing a steady increase in revenue over the period. The analysis also identifies areas where costs can be reduced, such as by negotiating better rates for insurance and rent. The document concludes with a summary of the key findings and recommendations for future action.

Overall, the document provides a comprehensive overview of the company's financial performance and offers valuable insights into its strengths and weaknesses. The detailed analysis and recommendations will be instrumental in helping the company achieve its long-term goals and maintain its competitive edge in the market.

shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075	1.075
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of less than 975 to 950 inclusive	.950

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions herein-after set forth, pay to Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within

ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half ($1/2$) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf

payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than one Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110)

United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder dur-

ing such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renego-

tiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to all other remedies available to it by law, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller with-

in such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil

disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, or by any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provisions shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to failure of title through inadvertence or causes beyond the reasonable control of Seller and to the applicable laws, rules and regulations, Seller's leases are, in Seller's opinion, in full force and effect and capable of being maintained and Seller agrees it will not, except through inadvertence, sell, quit claim or otherwise dispose of any of said leases for as long as in Seller's opinion gas can be produced therefrom in paying quantities if the result of so doing will be to reduce Seller's ability to fully perform its undertakings hereunder, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments

to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the

deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller

The first part of the document discusses the importance of maintaining accurate records of all transactions and the role of the accounting department in ensuring the integrity of the financial statements. It also highlights the need for regular audits and the importance of transparency in financial reporting.

The second part of the document focuses on the implementation of internal controls and the role of the internal audit function. It discusses the various types of internal controls and the importance of a strong internal control system in preventing fraud and errors. It also emphasizes the need for a culture of integrity and ethical behavior within the organization.

The third part of the document addresses the challenges of financial management in a global environment. It discusses the impact of currency fluctuations, inflation, and interest rate changes on the organization's financial performance. It also highlights the importance of effective risk management and the need for a strong financial strategy.

The fourth part of the document discusses the role of the accounting department in providing financial information to management and the importance of timely and accurate reporting. It also highlights the need for effective communication and collaboration between the accounting department and other departments within the organization.

The fifth part of the document discusses the importance of financial planning and budgeting in the long-term success of the organization. It discusses the various factors that can affect the organization's financial performance and the need for a strong financial plan and budget. It also emphasizes the importance of regular monitoring and evaluation of the financial plan and budget.

The sixth part of the document discusses the role of the accounting department in ensuring compliance with applicable laws and regulations. It discusses the various types of financial reporting requirements and the importance of accurate and timely reporting. It also emphasizes the need for a strong internal control system and the importance of transparency in financial reporting.

The seventh part of the document discusses the importance of financial management in the success of the organization. It discusses the various factors that can affect the organization's financial performance and the need for a strong financial strategy. It also emphasizes the importance of effective risk management and the need for a strong financial plan and budget.

The eighth part of the document discusses the role of the accounting department in providing financial information to management and the importance of timely and accurate reporting. It also highlights the need for effective communication and collaboration between the accounting department and other departments within the organization.

The ninth part of the document discusses the importance of financial planning and budgeting in the long-term success of the organization. It discusses the various factors that can affect the organization's financial performance and the need for a strong financial plan and budget. It also emphasizes the importance of regular monitoring and evaluation of the financial plan and budget.

The tenth part of the document discusses the role of the accounting department in ensuring compliance with applicable laws and regulations. It discusses the various types of financial reporting requirements and the importance of accurate and timely reporting. It also emphasizes the need for a strong internal control system and the importance of transparency in financial reporting.

shall proceed with such additional development as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within six (6) months from and after such determination to complete such additional development as may be necessary to comply with Section 3 of Article IV, Buyer shall have the right, in addition to all other remedies available to it by law, to reduce the Daily Contract Quantity to eighty three and one-third percent (83-1/3%) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make every reasonable effort to make available and dedicate to this Contract such additional uncommitted quantities of gas as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess

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reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Notwithstanding anything to the contrary contained in this Contract, Buyer's sole remedy for any insufficiency in the reserves required for the performance of this Contract shall be the reduction of the Daily Contract Quantity.

5. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to

furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party has executed this Contract as Seller and more than one of such parties is involved in the same controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd.
140-6th Avenue S. W.
Calgary, Alberta

SELLER: Shell Oil Company
1027-8th Avenue West
Calgary, Alberta

Canadian Shell Explorations Limited
600 University Avenue
Toronto, Ontario.

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for

reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

SHELL OIL COMPANY

(Seal)

By Paul L. Kartzke
Vice-President

By _____

CANADIAN SHELL EXPLORATIONS LIMITED

By V. F. Grafstrom (Seal)
Vice-President

By T. B. Brown
Assistant Secretary

"SELLER"

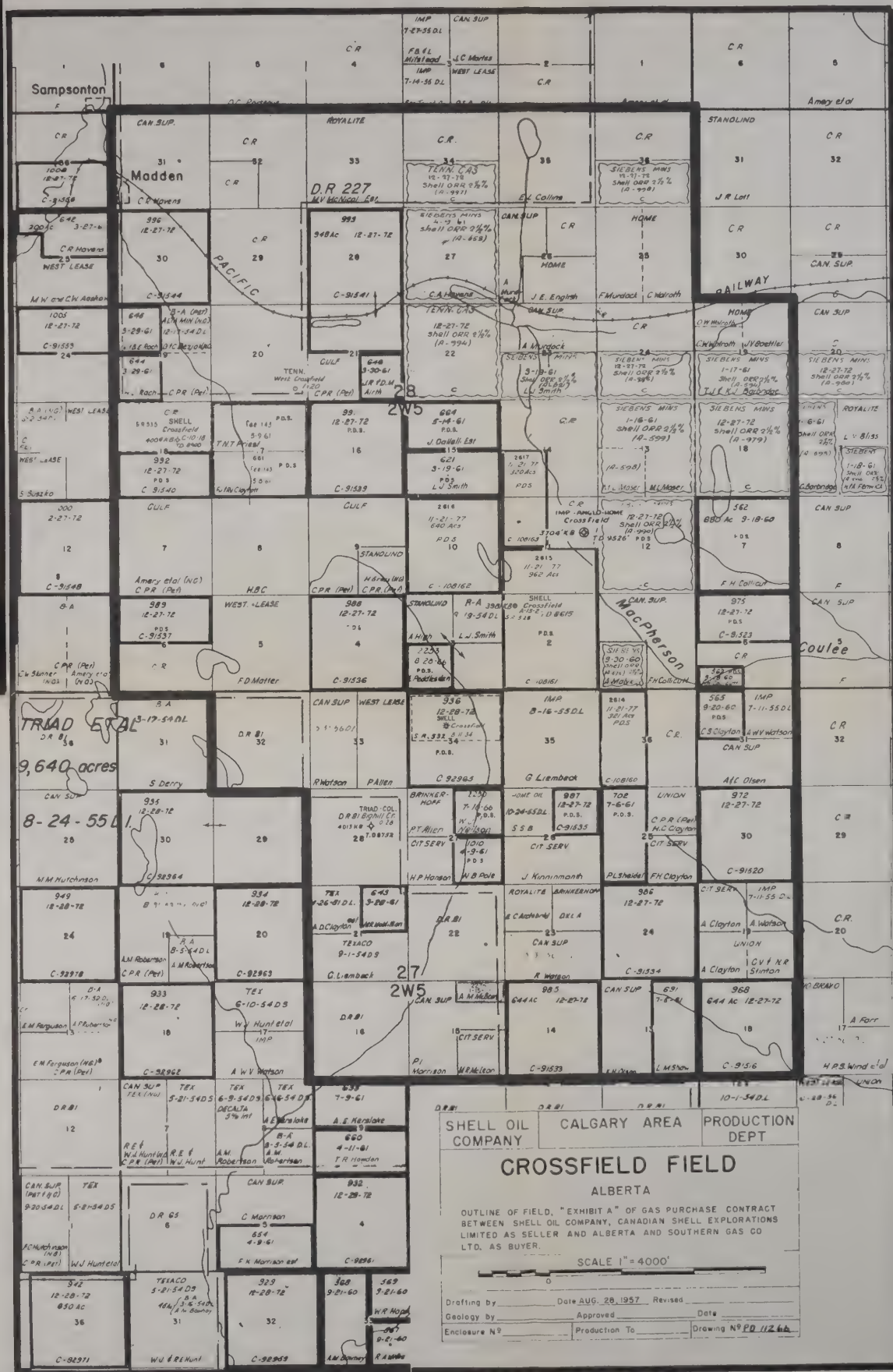
ALBERTA AND SOUTHERN GAS CO. LTD.

(Seal)

By J. S. Moulton
Vice-President

By R. L. Winton
Secretary

"BUYER"



SARCEE FIELD GAS PURCHASE CONTRACT

Between:

SHELL OIL COMPANY AND CANADIAN SHELL EXPLORATIONS LIMITED
Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.
Buyer

I N D E X

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THIS GAS PURCHASE CONTRACT made the 1st day of
November, 1957,

BETWEEN

SHELL OIL COMPANY, a body corporate,
having an office and carrying on business
in the City of Calgary, in the Province of
Alberta, and

CANADIAN SHELL EXPLORATIONS
LIMITED, a body corporate, having an
office and carrying on business in the City
of Toronto, in the Province of Ontario,

(hereinafter jointly referred to as "Seller")

OF THE FIRST PART

-and-

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,

(hereinafter referred to as "Buyer")

OF THE SECOND PART

W I T N E S S E T H T H A T :

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric
Company, a California corporation, hereinafter referred to as "P. G. and
E.";

AND WHEREAS P. G. and E. and certain subsidiaries (includ-
ing Buyer) and/or affiliates of P. G. and E., hereinafter referred to as

"the participants", propose to construct and operate a natural gas pipeline project, hereinafter called "The Project", having for its principal purpose the transportation of gas purchased by Buyer to the existing integrated transmission and distribution system of P. G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Sarcee Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A. M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A. M. on the first day of a calendar month and ending at 8:00 o'clock A. M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve

consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°)

Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof, less the quantities of gas reserved to Seller hereunder.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to Buyer, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of ob-

(V. F. G.)
(P. L. K.)
(J. S. M.)

1. The first part of the paper is devoted to a general discussion of the problem.

2. The second part is devoted to a detailed analysis of the results.

3. The third part is devoted to a discussion of the conclusions.

4. The fourth part is devoted to a discussion of the future work.

5. The fifth part is devoted to a discussion of the references.

6. The sixth part is devoted to a discussion of the appendix.

7. The seventh part is devoted to a discussion of the bibliography.

8. The eighth part is devoted to a discussion of the index.

9. The ninth part is devoted to a discussion of the table of contents.

10. The tenth part is devoted to a discussion of the list of figures.

11. The eleventh part is devoted to a discussion of the list of tables.

12. The twelfth part is devoted to a discussion of the list of references.

13. The thirteenth part is devoted to a discussion of the list of figures.

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18. The eighteenth part is devoted to a discussion of the list of references.

19. The nineteenth part is devoted to a discussion of the list of figures.

20. The twentieth part is devoted to a discussion of the list of tables.

jection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to Buyer from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all other necessary authorizations, in form acceptable to Buyer, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

The provisions of this Section 1 shall apply mutatis mutandis to the permits, certificates, and other authorizations required to be obtained by Seller under applicable laws and regulations.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June

1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when, whether and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's

ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce

any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than 60,000 Mcf per day for a twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially 60,000 Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas

VFG
JSM
PLK

JSM
PLK
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requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. Seller agrees that it will use its best efforts to increase its available reserves. In the event that by 1 July 1959 said reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%)

of the initial Daily Contract Quantity per day for a twenty-five (25) year period, then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%), effective 1 July 1963.

3. Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity not later than the date The Project is ready for operation, and one hundred and twenty percent (120%) of the Daily Contract Quantity, as it may exist from time to time, thereafter; provided, however, that Seller shall not be required to carry its overall development program beyond what the Seller considers to be commercially attractive.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the

next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, Buyer shall have the right to

reduce the Daily Contract Quantity to a volume equal to eighty three and one-third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per

square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in

addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer's only remedy shall be the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at 12.40 pounds per square inch absolute.
2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.
3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by

Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said field at the point of delivery hereunder, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas

delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except

that Seller shall bear the expense of tests made at its request if the in-accuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty three and one-third percent (83-1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure,

then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection (i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X

1890
Jan 1st
Feb 1st
Mar 1st
Apr 1st
May 1st
Jun 1st
Jul 1st
Aug 1st
Sep 1st
Oct 1st
Nov 1st
Dec 1st

1891
Jan 1st
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Oct 1st
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1892
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Nov 1st
Dec 1st

1893
Jan 1st
Feb 1st
Mar 1st
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May 1st
Jun 1st
Jul 1st
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Oct 1st
Nov 1st
Dec 1st

1894
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1898
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1899
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Dec 1st

1900
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Nov 1st
Dec 1st

shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075	1.075
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of less than 975 to 950 inclusive	.950

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within

ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half ($1/2$) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf

payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than one Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110)

United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder dur-

ing such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renego-

tiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to all other remedies available to it by law, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller with-

in such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil

disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, or by any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provisions shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to failure of title through inadvertence or causes beyond the reasonable control of Seller and to the applicable laws, rules and regulations, Seller's leases are, in Seller's opinion, in full force and effect and capable of being maintained and Seller agrees it will not, except through inadvertence, sell, quit claim or otherwise dispose of any of said leases for as long as in Seller's opinion gas can be produced therefrom in paying quantities if the result of so doing will be to reduce Seller's ability to fully perform its undertakings hereunder, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments

to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the

deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller

shall proceed with such additional development as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within six (6) months from and after such determination to complete such additional development as may be necessary to comply with Section 3 of Article IV, Buyer shall have the right, in addition to all other remedies available to it by law, to reduce the Daily Contract Quantity to eighty three and one-third percent (83-1/3%) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make every reasonable effort to make available and dedicate to this Contract such additional uncommitted quantities of gas as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess

reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Notwithstanding anything to the contrary contained in this Contract, Buyer's sole remedy for any insufficiency in the reserves required for the performance of this Contract shall be the reduction of the Daily Contract Quantity.

5. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to

furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party has executed this Contract as Seller and more than one of such parties is involved in the same controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd.
140-6th Avenue S. W.
Calgary, Alberta

SELLER: Shell Oil Company
1027-8th Avenue West
Calgary, Alberta

Canadian Shell Explorations Limited
600 University Avenue
Toronto, Ontario.

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for

reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

SHELL OIL COMPANY

(Seal)

By Paul L. Kartzke
Vice-President

By _____

CANADIAN SHELL EXPLORATIONS LIMITED

By V. F. Grafstrom (Seal)
Vice-President

By T. B. Brown
Assistant Secretary

"SELLER"

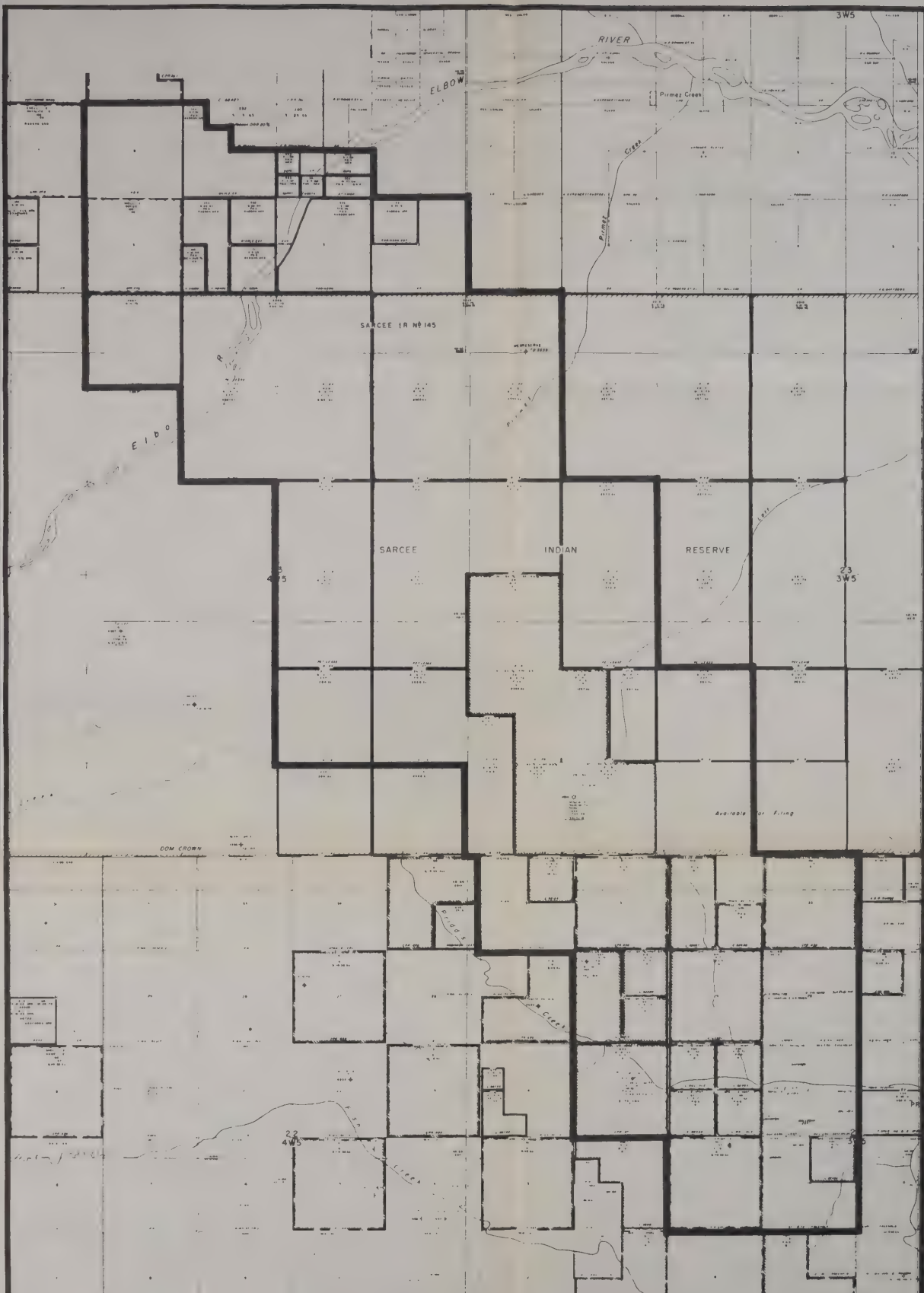
ALBERTA AND SOUTHERN GAS CO. LTD.

(Seal)

By J. S. Moulton
Vice-President

By R. L. Winton
Secretary

"BUYER"



SHELL OIL COMPANY	CALGARY AREA	PRODUCTION DEPT.
SARCEE FIELD ALBERTA		
OUTLINE OF FIELD, "EXHIBIT A" OF GAS PURCHASE CONTRACT BETWEEN SHELL OIL COMPANY, CANADIAN SHELL EXPLORATIONS LIMITED AS SELLER AND ALBERTA AND SOUTHERN GAS CO. LTD. AS BUYER.		
SCALE 1" = 4000'		
Drafting by _____	Date AUG. 28, 1957	Revised _____
Geology by _____	Approved _____	Date _____
Enclosure N° _____	Production To _____	Drawing N° PJ11841



HOMEGLLEN-RIMBEY FIELD GAS PURCHASE CONTRACT

Between:

SHELL OIL COMPANY AND CANADIAN SHELL EXPLORATIONS LIMITED
Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.
Buyer

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THIS GAS PURCHASE CONTRACT made the 1st day of
November, 1957,

BETWEEN

SHELL OIL COMPANY, a body corporate,
having an office and carrying on business
in the City of Calgary, in the Province of
Alberta, and

CANADIAN SHELL EXPLORATIONS
LIMITED, a body corporate, having an
office and carrying on business in the City
of Toronto, in the Province of Ontario,

(hereinafter jointly referred to as "Seller")

OF THE FIRST PART

-and-

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,

(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric
Company, a California corporation, hereinafter referred to as "P. G. and
E.";

AND WHEREAS P. G. and E. and certain subsidiaries (includ-
ing Buyer) and/or affiliates of P. G. and E., hereinafter referred to as

"the participants", propose to construct and operate a natural gas pipeline project, hereinafter called "The Project", having for its principal purpose the transportation of gas purchased by Buyer to the existing integrated transmission and distribution system of P. G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Homeglen-Rimbey Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve

consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°)

Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof, less the quantities of gas reserved to Seller hereunder.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to Buyer, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of ob-

(V. F. G.)
(P. L. K.)
(J. S. M.)

jection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to Buyer from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all other necessary authorizations, in form acceptable to Buyer, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

The provisions of this Section 1 shall apply mutatis mutandis to the permits, certificates, and other authorizations required to be obtained by Seller under applicable laws and regulations.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June

(V. F. G.)

(P. L. K.)

(J. S. M.)

1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when, whether and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's

ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce

any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than 12,000 Mcf per day for a twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially 12,000 Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas

requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. Seller agrees that it will use its best efforts to increase its available reserves. In the event that by 1 July 1959 said reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%)

of the initial Daily Contract Quantity per day for a twenty-five (25) year period, then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%), effective 1 July 1963.

3. Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity not later than the date The Project is ready for operation, and one hundred and twenty percent (120%) of the Daily Contract Quantity, as it may exist from time to time, thereafter; provided, however, that Seller shall not be required to carry its overall development program beyond what the Seller considers to be commercially attractive.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the

next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, Buyer shall have the right to

reduce the Daily Contract Quantity to a volume equal to eighty three and one third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per

square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in

addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer's only remedy shall be the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at 13.10 pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by

Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1801. It is a very important document, as it is the first time that the President has addressed the Congress since the establishment of the office.

2. The second part of the document is a report from the Secretary of the Navy, dated January 10, 1801. It contains information about the state of the Navy and the ships that are in service.

3. The third part of the document is a report from the Secretary of the Treasury, dated January 15, 1801. It contains information about the state of the Treasury and the finances of the government.

4. The fourth part of the document is a report from the Secretary of the War, dated January 20, 1801. It contains information about the state of the War and the troops that are in service.

5. The fifth part of the document is a report from the Secretary of the Interior, dated January 25, 1801. It contains information about the state of the Interior and the lands that are in service.

6. The sixth part of the document is a report from the Secretary of the Education, dated February 1, 1801. It contains information about the state of the Education and the schools that are in service.

7. The seventh part of the document is a report from the Secretary of the Agriculture, dated February 5, 1801. It contains information about the state of the Agriculture and the crops that are in service.

8. The eighth part of the document is a report from the Secretary of the Commerce, dated February 10, 1801. It contains information about the state of the Commerce and the trade that is in service.

9. The ninth part of the document is a report from the Secretary of the Marine, dated February 15, 1801. It contains information about the state of the Marine and the ships that are in service.

10. The tenth part of the document is a report from the Secretary of the Air, dated February 20, 1801. It contains information about the state of the Air and the aircraft that are in service.

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said field at the point of delivery hereunder, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas

delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except

The first part of the paper discusses the importance of the study and the objectives of the research. It also outlines the methodology used in the study and the results obtained. The second part of the paper discusses the implications of the study and the conclusions drawn from the research. It also provides a summary of the findings and a list of references.

The study was conducted in a laboratory setting and involved the use of a series of tests to measure the performance of the system. The results of the tests were compared to the theoretical predictions and the conclusions drawn from the research. The study found that the system performed well under the conditions tested and that the theoretical predictions were generally accurate.

The implications of the study are that the system can be used in a variety of applications and that the results of the research can be used to improve the design of the system. The conclusions drawn from the research are that the system is a viable option for the application and that the results of the research can be used to improve the design of the system.

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that Seller shall bear the expense of tests made at its request if the in-accuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty three and one-third percent (83-1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure,

then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

REPORT OF THE
COMMISSIONER OF THE
BUREAU OF CHEMISTRY
FOR THE YEAR 1904

BY
J. H. MANNING
CHIEF OF BUREAU
AND
J. H. MANNING
CHIEF OF BUREAU

CHICAGO
PUBLISHED BY THE
UNIVERSITY OF CHICAGO PRESS
1905

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection (i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X



shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075	1.075
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of less than 975 to 950 inclusive	.950

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions herein-after set forth, pay to Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within

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The study was conducted in a laboratory setting and the results were compared with those obtained in previous studies. The study found that the results were consistent with those obtained in previous studies and that the methodology used in the study was valid.

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ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half ($1/2$) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf

payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than one Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110)

United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder dur-

ing such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renego-

tiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to all other remedies available to it by law, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller with-

in such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil

disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, or by any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provisions shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to failure of title through inadvertence or causes beyond the reasonable control of Seller and to the applicable laws, rules and regulations, Seller's leases are, in Seller's opinion, in full force and effect and capable of being maintained and Seller agrees it will not, except through inadvertence, sell, quit claim or otherwise dispose of any of said leases for as long as in Seller's opinion gas can be produced therefrom in paying quantities if the result of so doing will be to reduce Seller's ability to fully perform its undertakings hereunder, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments

to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the

deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller

shall proceed with such additional development as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within six (6) months from and after such determination to complete such additional development as may be necessary to comply with Section 3 of Article IV, Buyer shall have the right, in addition to all other remedies available to it by law, to reduce the Daily Contract Quantity to eighty three and one-third percent ($83\frac{1}{3}\%$) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make every reasonable effort to make available and dedicate to this Contract such additional uncommitted quantities of gas as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess

reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Notwithstanding anything to the contrary contained in this Contract, Buyer's sole remedy for any insufficiency in the reserves required for the performance of this Contract shall be the reduction of the Daily Contract Quantity.

5. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to

furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party has executed this Contract as Seller and more than one of such parties is involved in the same controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the methodology used in the study.

The second part of the paper presents the results of the study. It includes a detailed description of the data collected and the analysis performed.

The third part of the paper discusses the implications of the findings and the conclusions drawn from the study. It also provides a summary of the key points of the research.

The fourth part of the paper provides a detailed discussion of the limitations of the study and the areas for future research. It also includes a list of references.

The fifth part of the paper provides a detailed discussion of the methodology used in the study. It includes a description of the data collection process and the analysis performed.

The sixth part of the paper provides a detailed discussion of the results of the study. It includes a description of the data collected and the analysis performed.

The seventh part of the paper provides a detailed discussion of the implications of the findings and the conclusions drawn from the study. It also provides a summary of the key points of the research.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.
2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.
3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd.
140-6th Avenue S. W.
Calgary, Alberta

SELLER: Shell Oil Company
1027-8th Avenue West
Calgary, Alberta

Canadian Shell Explorations Limited
600 University Avenue
Toronto, Ontario.

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for

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The University of Chicago Library is pleased to announce the acquisition of a new volume in the series of the University of Chicago Press. This volume, titled "The History of the University of Chicago" by [Author Name], is a comprehensive study of the institution's development from its founding in 1837 to the present. It covers the early years of struggle, the growth of the faculty and student body, and the university's role in the development of modern higher education. The book is written in a clear, accessible style and is illustrated with numerous photographs and documents. It is a valuable resource for anyone interested in the history of the University of Chicago.

The volume is available in both hardcover and paperback editions. The hardcover edition is priced at \$25.00, and the paperback edition is priced at \$12.50. Both editions are available in English and Chinese. The book is available for purchase from the University of Chicago Press, 500 University of Chicago Press, Chicago, Illinois 60607, U.S.A. or from the University of Chicago Library, 1000 S. East Asian Library, Chicago, Illinois 60637, U.S.A.

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reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

SHELL OIL COMPANY

(Seal)

By Paul L. Kartzke
Vice-President

By _____

CANADIAN SHELL EXPLORATIONS LIMITED

By V. F. Grafstrom (Seal)
Vice-President

By T. B. Brown
Assistant Secretary

"SELLER"

ALBERTA AND SOUTHERN GAS CO. LTD.

(Seal)

By J. S. Moulton
Vice-President

By R. L. Winton
Secretary

"BUYER"





THE CALIFORNIA STANDARD COMPANY

G. L. KNOX
PRESIDENT

CALGARY, ALBERTA

October 4, 1957.

Alberta and Southern Gas Co. Ltd.,
Natural Gas Building,
140 Sixth Avenue S.W.,
CALGARY, Alberta.

Dear Sirs:

We enclose herewith form of contract representing the result of negotiations for the sale by The California Standard Company, as Seller, to Alberta and Southern Gas Co. Ltd., as Buyer, of gas from the Dick Lake Area in the Province of Alberta.

This letter will confirm that The California Standard Company is prepared to enter into this contract with you covering its interest in the gas found in the Leduc (D-3) zone in the lands in the Dick Lake Area described in the contract as soon as the Daily Contract Quantity, as defined in the contract, has been determined by The California Standard Company.

Yours very truly,

G. L. KNOX

DICK LAKE FIELD GAS PURCHASE CONTRACT

Between:

THE CALIFORNIA STANDARD COMPANY

Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

Buyer

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BETWEEN:

OF THE FIRST PART,

and

OF THE SECOND PART.

WITNESSETH THAT:

AND WHEREAS P. G. and E. and certain subsidiaries and/or affiliates of P. G. and E. propose to construct and operate a natural gas pipeline project, hereinafter called "The Project", having for its principal purpose the transportation of gas purchased by Buyer to the existing integrated transmission and distribution system of P. G. and E.;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Dick Lake Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project;

NOW THEREFORE it is hereby agreed as follows:

ARTICLE 1 - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date gas is first delivered hereunder.

(d) The word "gas" shall mean natural gas obtained from

the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(j) The term "Seller's lands" shall mean and include only the Leduc (D-3) zone underlying the lands set out in Schedule "A" hereto.

(k) The "Leduc (D-3) zone" shall be deemed to be and include that geological horizon found in the Gulf-California Standard-Phillips-Husky-Davidson No. 8 well between the depths of 4225 and 4838 feet below mean sea level.

(l) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in and from Seller's lands, and shall include any document evidencing such right.

(m) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to said participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions

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which would preclude Buyer from fully performing this Contract in accordance with its terms, Buyer shall give written notice to Seller setting out such conditions, and unless Seller, within thirty (30) days, agrees in writing to waive performance by Buyer, Buyer shall promptly cause an application for rehearing to be made, and if such rehearing does not result in such authorization being modified so as to permit Buyer to fully perform this Contract, Buyer shall promptly so notify Seller, and Seller may at its sole option terminate this Contract within thirty (30) days after receipt of such notice. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to said participants from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all necessary authorizations, in form acceptable to said participants, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained by said participants, they will proceed

with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960, or the expiration of twenty-four (24) months after all such authorizations have been obtained, whichever is the later. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: To operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to

and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gaslift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below Nine Hundred and Seventy-five (975) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases with properties of others in the field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in the field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and Seller undertakes to and with Buyer that Seller will put forth every reasonable effort before entering into any voluntary oil or gas proration, conservation, ratable taking or other similar program, including unitization for the purposes of conservation, to avoid a reduction in the amount of gas deliverable to Buyer hereunder and to avoid postponing any substantial part of the gas deliverable to Buyer, but nothing herein contained shall require Seller to secure Buyer's consent before entering into such program, provided further that if under any such program the amount of gas attributable to Seller's lands is less than the quantity of gas provided to be delivered under Article IV hereof, that Seller shall not be deemed to be in default under this Contract.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating

agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its present interest in the presently proven and probable reserves of gas in the Leduc (D-3) zone in the presently unitized area of the said field and the gas produced therefrom is approximately twenty-seven and three one-hundredths percent (27.03%) which percentage interest may be changed from time to time as the unitized area of the said field is changed. Seller shall notify Buyer within ten (10) days after the date of the first delivery of gas hereunder of its then percentage interest and shall thereafter notify Buyer promptly each time such interest changes. Seller estimates and Buyer accepts that, in addition to the aforementioned reserves, Seller's presently proven and probable reserves in the Dick Lake field outside the presently unitized area are equal to a volume of not less than ^{nm} 24,000 Mcf per day for a twenty (20) year

gar

period; provided, however, in the event that all or any part of the said proven and probable reserves outside the said unitized area are at any time added to the said unitized area, then the aforementioned volume shall be appropriately revised. The Daily Contract Quantity shall be the sum of:

(a) Seller's share of daily production from the said unitized area, and

(b) the aforementioned volume for production from reserves outside the said unitized area, which items (a) and (b) are subject to increase or decrease from time to time pursuant to the provisions of this Contract.

The said Daily Contract Quantity is initially _____ Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June, 1961, Seller shall use its best efforts to deliver to Buyer a daily volume of gas up to one hundred and ten percent (110%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver to Buyer up to a volume of one hundred and ten percent (110%) of the Daily Contract Quantity, and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. In the event Seller by written notice to Buyer not later than 1 July, 1959, or six (6) months after all governmental authorizations referred to in Section 1 of Article II have been obtained, whichever is the later, elects to increase the initial Daily Contract Quantity by not to exceed twenty-five per cent (25%), then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by the percentage so elected, effective 1 July, 1962, or forty-two (42) months

after all governmental authorizations referred to in Section 1 of Article II have been obtained, whichever is the later; provided, further, that in the event Seller by written notice to Buyer not later than 1 July, 1960, or eighteen (18) months after all governmental authorizations referred to in Section 1 of Article II have been obtained, whichever is the later, elects to increase the initial Daily Contract Quantity by not to exceed fifty percent (50%), then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by the percentage so elected, effective 1 July, 1963, or fifty-four (54) months after all governmental authorizations referred to in Section 1 of Article II have been obtained, whichever is the later; provided, however, that before Seller may make either election, Seller and Buyer shall agree, or, if they are unable to agree, have determined by an arbitrator selected in accordance with the provisions of Section 2 of Article XIV, that Seller's then interest in the then estimated proven and probable reserves in said zone is not less than a volume equal to the Daily Contract Quantity Seller proposes to elect multiplied by the product of three hundred and sixty-five (365) days and twenty (20) years.

3. Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable

it to deliver one hundred and ten percent (110%) of the initial Daily Contract Quantity not later than the date The Project is ready for operation, and one hundred and ten percent (110%) of the Daily Contract Quantity, as it may exist from time to time, thereafter; provided, however, that Seller shall not be required to carry its overall development program beyond what the Seller considers to be the economic limits.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and ten (110%) percent of the Daily Contract Quantity. The right of Buyer under this section shall not extend beyond the term of this contract.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and ten percent (110%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failures. Seller

shall have such time as may be necessary provided it proceeds promptly and continues diligently thereafter in its attempts to restore its ability to deliver such quantity during which time the Daily Contract Quantity shall be reduced temporarily to a volume equal to ninety percent (90%) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and ten percent (110%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the completion of such attempts, or at such earlier time as Seller may request, Buyer shall have the right to reduce the Daily Contract Quantity to a volume equal to ninety percent (90%) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

7. It is the intent of this Contract that, conditional upon Seller having sufficient deliverability, Buyer shall take from Seller the latter's fair share of the gas produced from the Leduc (D-3) zone of said field. If at any time after the first delivery of gas hereunder Seller believes that the Daily Contract Quantity is less than such fair share, Seller may notify Buyer, and Buyer agrees to negotiate with Seller in an attempt to establish a revised Daily Contract Quantity which will, as nearly as possible, represent Seller's said fair share. Should Buyer and Seller be unable to reach agreement, either party shall have the right to refer the matter to arbitration in accordance with Article XV hereof.

ARTICLE V - QUALITY OF GAS

1. The gas when delivered hereunder shall be merchantable gas and shall be considered merchantable gas if it at all times complies with the following quality requirements.

(i) Heating Value: The gas when delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot but, at the option of Buyer, gas at lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas to be delivered by Seller hereunder:

(a) Shall be commercially free from dust, gums, crude oil, hydrocarbons liquefiable at temperatures in excess of fifteen degrees (15^o) Fahrenheit at eight hundred (800) pounds per square

inch gauge, impurities and other objectionable substances which may become separated from the gas and interfere with its transmission through pipe lines.

(b) Shall be commercially free from hydrogen sulphide, containing not more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(c) Shall not contain more than twenty (20) grains of total sulphur per one hundred (100) cubic feet.

(d) Shall not contain more than two per cent (2%) by volume of carbon dioxide.

(e) Shall have been dehydrated by Seller for removal of water present therein in a vapor state, and in no event contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet of gas, when measured at a pressure of fourteen and four-tenths (14.4) pounds per square inch absolute and a temperature of sixty degrees (60°) Fahrenheit.

(f) Shall not exceed one hundred and twenty degrees (120°) Fahrenheit in temperature at the point of delivery.

2. Tests to determine the sulphur, hydrogen sulphide, and carbon dioxide content of the gas at the point of delivery shall be made by Buyer, at Buyer's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Buyer, at Buyer's expense, by the use of a dew-point

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1861.

2. The second part is a report from the Secretary of the Treasury, dated January 3, 1861.

3. The third part is a report from the Secretary of the Interior, dated January 3, 1861.

4. The fourth part is a report from the Secretary of the Navy, dated January 3, 1861.

5. The fifth part is a report from the Secretary of the War, dated January 3, 1861.

6. The sixth part is a report from the Secretary of the State, dated January 3, 1861.

7. The seventh part is a report from the Secretary of the War, dated January 3, 1861.

8. The eighth part is a report from the Secretary of the Navy, dated January 3, 1861.

9. The ninth part is a report from the Secretary of the Interior, dated January 3, 1861.

10. The tenth part is a report from the Secretary of the Treasury, dated January 3, 1861.

11. The eleventh part is a report from the Secretary of the War, dated January 3, 1861.

12. The twelfth part is a report from the Secretary of the State, dated January 3, 1861.

13. The thirteenth part is a report from the Secretary of the War, dated January 3, 1861.

14. The fourteenth part is a report from the Secretary of the Navy, dated January 3, 1861.

15. The fifteenth part is a report from the Secretary of the Interior, dated January 3, 1861.

16. The sixteenth part is a report from the Secretary of the Treasury, dated January 3, 1861.

17. The seventeenth part is a report from the Secretary of the War, dated January 3, 1861.

18. The eighteenth part is a report from the Secretary of the State, dated January 3, 1861.

19. The nineteenth part is a report from the Secretary of the War, dated January 3, 1861.

20. The twentieth part is a report from the Secretary of the Navy, dated January 3, 1861.

21. The twenty-first part is a report from the Secretary of the Interior, dated January 3, 1861.

22. The twenty-second part is a report from the Secretary of the Treasury, dated January 3, 1861.

apparatus approved by Buyer and Seller. Tests shall be made by Buyer frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to ninety percent (90%) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60⁰) Fahrenheit and at a pressure of fourteen and four-tenths (14.4) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at thirteen and one-tenth (13.1) pounds per square inch absolute.

2. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may

install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered hereunder the following practices shall prevail.

(i) Metering: The gas delivered by Seller to Buyer hereunder shall be metered at the point of delivery by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which gas is delivered hereunder. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity

of gas delivered hereunder shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered hereunder at the time such samples are taken and may be either spot samples or samples taken over a period of time. Sample shall be taken at reasonable intervals by Buyer, provided that if the total quantity of gas available for delivery to Buyer at the point of delivery hereunder is in excess of 50,000 Mcf per day, Buyer will install continuous recording equipment when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas delivered hereunder from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. In the event continuous recording equipment is installed, the specific gravity of the gas delivered each day shall be the arithmetical average of the specific gravities determined during such day.

(iii) Temperature: The flowing temperature of the gas delivered hereunder shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and

used in computing the volumes of gas delivered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered hereunder for inaccuracies in measuring equipment of two percent (2%) or less.

3. Heating value: Tests to determine the gross heating value of gas delivered hereunder shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Caseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered hereunder at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that if the total quantity of gas available for delivery to Buyer at the point of delivery hereunder is in excess of 50,000 Mcf per day, Buyer will install a calorimeter for continuous recording of the heating value of the gas at the point of delivery when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered hereunder from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of the gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 3.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangements for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measurement equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts

and other similar records in such party's possession, for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to ninety percent (90%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller

to Buyer at the point of delivery. Until passage of title, Seller shall be deemed to be in control and possession of and be responsible for such gas and, thereafter, Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From date of initial delivery	
through June 30, 1961 . . .	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962 . . .	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963 . . .	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964 . . .	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965 . . .	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966 . . .	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967 . . .	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968 . . .	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973 . . .	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978 . . .	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983 . . .	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof . . .	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to redetermine the prices to be paid pursuant to this Contract on July 1, 1968 and at five-year intervals thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV, and the arbitrators shall determine the fair market price or prices and the effective date or dates thereof for the applicable five (5) year pricing period (which prices may escalate upwards during such period), which price or prices shall be the price or prices to be paid for gas during such period pursuant to this Contract.

Regardless of anything herein elsewhere contained, any prices fixed by redetermination or by arbitration shall in no event be effective earlier than the first date of the new pricing period or be lower than the price set forth in Subsection (i) of this Section 1. If the price, or the time weighted average of the prices, so fixed for said new pricing period exceeds the price set forth in said Subsection for said new pricing period, then the amount of the excess shall be added to the price set forth in said Subsection for each of the remaining pricing periods and the new prices thus determined shall be substituted for the prices set forth in said Subsection.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month

with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of more than 1025 to 1050, incl.	- 1.025
For gas with a BTU content of more than 1050 to 1075, incl.	- 1.050
For gas with a BTU content of more than 1075 - - - -	- 1.075
For gas with a BTU content of less than 1000 to 975, incl.	- .975
For gas with a BTU content of less than 975 to 950, incl.	- .950

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes) other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to Seller one-half (1/2) of any such increase in taxes or one-half (1/2) of such new taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that

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it has paid and, within thirty (30) days after submission of such statement, Buyer shall reimburse Seller to the extent of one-half of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order, either of the Oil and Gas Conservation Board of the Province of Alberta or other governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's costs per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th from gas producers delivering gas to Buyer or Buyer's nominee from fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's costs per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas deliverable

hereunder during such month by an amount equal to the difference between such weighted average of Buyer's costs per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "cost per Mcf" as used herein shall mean the purchase price per Mcf plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such cost shall be determined with respect to any other Contracts on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Eight (108) United States Cents or not less than Ninety-eight (98) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is:

(a) In excess of One Hundred and Eight (108) United States Cents and is not more than One Hundred and Thirteen (113) United

States Cents for One (1) Canadian Dollar, or

(b) Less than Ninety-eight (98) United States Cents but not less than Ninety-three (93) United States Cents for One (1) Canadian Dollar,

then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

Let: P_c = Price payable in Canadian currency during the month;

C = Volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = Volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = Price in the Contract;

E = Average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

Then: In case such average exchange rate exceeds One Hundred and Eight (108) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{108}{E} \right)$$

In case such average exchange rate is less than Ninety-eight (98) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{98}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Thirteen (113) United States Cents or is less than Ninety-three (93) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Thirteen (113) or Ninety-three (93) United States Cents respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Thirteen (113) United States Cents or is less than Ninety-three (93) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Thirteen (113) United States Cents or was less than Ninety-three (93) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted

accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months, then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsection (ii), (iii) and (iv), for the period pending renegotiation as provided therein, of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Said statement, unless objected to by either party within one (1) year after being rendered, shall be accepted by both parties as correct. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Buyer agrees to make payment (in Canadian currency) to Seller on or before the Twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure

continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to Arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical analysis performed.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend of increasing activity over time.

4. The fourth part of the document discusses the implications of the findings. It suggests that the results have significant implications for the field of study and may lead to further research in this area.

5. The fifth part of the document provides a conclusion and summarizes the key points of the study. It reiterates the importance of accurate record-keeping and the need for ongoing research in this field.

6. The sixth part of the document includes a list of references and a bibliography. It cites various sources that have been consulted during the research process.

7. The seventh part of the document contains a list of appendices and additional information. It includes a detailed description of the equipment used in the study and a list of the personnel involved in the research.

8. The eighth part of the document provides a list of figures and tables. It includes a detailed description of each figure and table and the data it contains.

9. The ninth part of the document includes a list of footnotes and a glossary. It provides additional information and definitions for the terms used in the document.

10. The tenth part of the document contains a list of acknowledgments and a list of contributors. It expresses gratitude to the individuals and organizations that have supported the research.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests, restraints of rulers and peoples, civil disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any governmental authority having jurisdiction or the order from a court of final jurisdiction (provided that nothing herein contained shall require either party to appeal any order which in the opinion of that party is within the jurisdiction of the body making it and from which an appeal in the best legal opinion secured by such party has little chance of success), any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, or any other cause, whether of the kind enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned

by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND
RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to failure of title through inadvertence, unavoidable failure of title, causes beyond the reasonable control of Seller and to the applicable laws, rules and regulations and to the provisions of Article III and Section 2 of Article XVI of this Contract, Seller's leases are, in Seller's opinion, in full force and effect and capable of being maintained in full force and effect and will not be disposed of or dealt with by Seller, except through inadvertence, if the result of so doing will be to materially affect Seller's ability to fully perform its obligations hereunder, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities

and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all gas found in Seller's lands and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1st of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of gas reserves

dedicated hereto or the deliverability therefrom, or both, or in the event Seller delivers written notice to Buyer at any time prior to any such July 1st date referred to above that Seller wishes to dispense with the joint study of Seller's gas reserves and deliverability and arbitrate Seller's reserves and deliverability commencing on such applicable July 1st, then the matter in question shall be submitted to arbitration as hereinafter provided. Seller and Buyer shall each appoint an arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, which third arbitrator may be the Oil and Gas Conservation Board of Alberta. If, within thirty (30) days said two arbitrators are unable to agree upon such third arbitrator, the Oil and Gas Conservation Board of Alberta shall be the third arbitrator. The three arbitrators so appointed will proceed immediately to determine not later than September 15th the matter in question in accordance with the Principles of Arbitration as set out in the last two paragraphs of Article XV hereof.

3. (i) In the event it is determined by the parties or the arbitrators that reserves are sufficient, but deliverability is insufficient, Seller shall have such time as may be necessary, provided it proceeds promptly and continues diligently, to proceed with such additional development or such additional remedial measures as may be reasonable in the opinion of Seller as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within such time to complete such additional development as may be necessary to

comply with Section 3 of Article IV, Buyer shall have the right to reduce the Daily Contract Quantity to Ninety percent (90%) of the deliverability. Nothing contained in this Subsection (i) of Section 3 shall be construed to limit the right of Buyer to proceed at any time pursuant to Section 5 of Article IV.

(ii) In the event it is determined by the parties or the arbitrators that deliverability is sufficient but reserves are insufficient, Buyer shall have the right to reduce the Daily Contract Quantity hereunder in direct proportion to the deficiency in reserves required for the remainder of the term hereof, if Seller is unable to prove additional reserves within the six (6) months period immediately following the completion of such studies.

(iii) In the event it is determined by the parties or the arbitrators that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller may at its sole option elect to develop additional deliverability of such excess reserves. In the event that Seller elects to develop additional deliverability of such excess reserves, Seller agrees to sell to Buyer and Buyer agrees to purchase such excess gas under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV.

Buyer and Seller agree to use their best endeavors to procure all permits, certificates and other authorizations necessary to make such excess gas available for the purposes of The Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one year after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an

arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party has executed this Contract as Seller and more than one of such parties is involved in a controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding upon the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators, the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer, and the

fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: ALBERTA AND SOUTHERN GAS CO. LTD.
Natural Gas Building
140 Sixth Avenue S. W.
Calgary, Alberta.

SELLER: THE CALIFORNIA STANDARD COMPANY
Medical Arts Building
Calgary, Alberta.

Any notice hereunder shall be deemed to have been given two (2) clear business days after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority in Canada now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861.

2. The second part is a report from the Secretary of the Treasury, dated January 1, 1861.

3. The third part is a report from the Secretary of the Interior, dated January 1, 1861.

4. The fourth part is a report from the Secretary of the Navy, dated January 1, 1861.

5. The fifth part is a report from the Secretary of the War, dated January 1, 1861.

6. The sixth part is a report from the Secretary of the State, dated January 1, 1861.

7. The seventh part is a report from the Secretary of the War, dated January 1, 1861.

8. The eighth part is a report from the Secretary of the Navy, dated January 1, 1861.

9. The ninth part is a report from the Secretary of the Interior, dated January 1, 1861.

10. The tenth part is a report from the Secretary of the Treasury, dated January 1, 1861.

11. The eleventh part is a report from the Secretary of the War, dated January 1, 1861.

12. The twelfth part is a report from the Secretary of the State, dated January 1, 1861.

13. The thirteenth part is a report from the Secretary of the War, dated January 1, 1861.

14. The fourteenth part is a report from the Secretary of the Navy, dated January 1, 1861.

15. The fifteenth part is a report from the Secretary of the Interior, dated January 1, 1861.

16. The sixteenth part is a report from the Secretary of the Treasury, dated January 1, 1861.

17. The seventeenth part is a report from the Secretary of the War, dated January 1, 1861.

18. The eighteenth part is a report from the Secretary of the State, dated January 1, 1861.

19. The nineteenth part is a report from the Secretary of the War, dated January 1, 1861.

20. The twentieth part is a report from the Secretary of the Navy, dated January 1, 1861.

21. The twenty-first part is a report from the Secretary of the Interior, dated January 1, 1861.

22. The twenty-second part is a report from the Secretary of the Treasury, dated January 1, 1861.

any Article nor to be deemed in any way to qualify, modify or explain the effects of any such provision or terms.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

THE CALIFORNIA STANDARD COMPANY

By _____

"SELLER"

By _____

ALBERTA AND SOUTHERN GAS CO. LTD

By _____

"BUYER"

By _____

Rge. 1 W. 5 M.

Rge. 28 W. 4

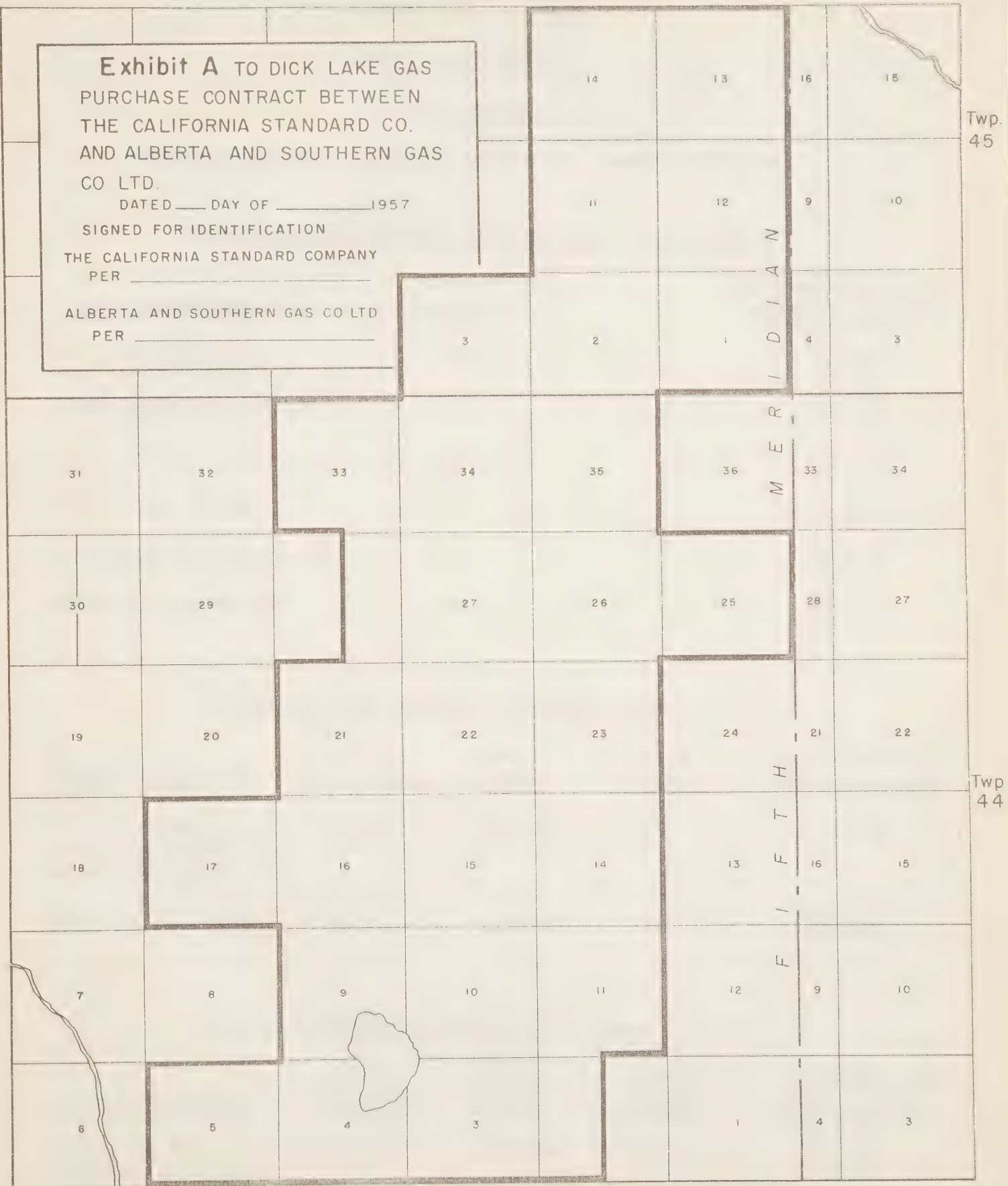
**Exhibit A TO DICK LAKE GAS
PURCHASE CONTRACT BETWEEN
THE CALIFORNIA STANDARD CO.
AND ALBERTA AND SOUTHERN GAS
CO LTD.**

DATED ____ DAY OF _____ 1957

SIGNED FOR IDENTIFICATION

THE CALIFORNIA STANDARD COMPANY
PER _____

ALBERTA AND SOUTHERN GAS CO LTD
PER _____



Twp.
45

Twp.
44

DICK LAKE AREA

SCALE 1 INCH=1 MILE
SEPT. 26/57



SCHEDULE "A"

DICK LAKE FIELD

UNIT AREA

(California Standard - British American - Husky - Phillips)

Canadian Pacific Railway Company Reservation 388

<u>Legal Description</u>	<u>Gross Acreage</u>	<u>California Standard Undivided Interest</u>
W $\frac{1}{2}$ 3-44-1 W.5M	320	27.03%
W $\frac{1}{2}$ & NE $\frac{1}{4}$ 9-44-1 W.5	480	27.03%
Sec. 15-44-1 W.5M	640	27.03%
E $\frac{1}{2}$ 21-44-1 W.5M	320	27.03%
S $\frac{1}{2}$ & NE $\frac{1}{4}$ 27-44-1 W.5M	480	27.03%
NW $\frac{1}{4}$ 35-44-1 W.5M	160	27.03%

Canadian Pacific Railway Company Lease

<u>Legal Description</u>	<u>C.P.R. Lease No.</u>	<u>Expiry Date</u>	<u>Gross Acreage</u>	<u>Calif. Standard Undiv. Interest</u>
Lsd. 7 & that ptn. of Lsd. 8 of Sec. 9-44-1 W.5M	1004	2/6/66	69	27.03%
NW $\frac{1}{4}$ 27-44-1 W.5M	1097A	9/16/66	160	27.03%

Crown Petroleum & Natural Gas Lease

<u>Legal Description</u>	<u>Alberta Lease No.</u>	<u>Expiry Date</u>	<u>Gross Acreage</u>	<u>Calif. Standard Undiv. Interest</u>
Lsds. 1 & 2 & southerly most 5.5 chains throughout Lsd. 8 of Sec.9-44-1 W.5M	102423	1/5/76	91	27.03%

<u>Legal Description</u>	<u>Alberta Lease No.</u>	<u>Expiry Date</u>	<u>Gross Acreage</u>	<u>Calif. Standard Undiv. Interest</u>
E $\frac{1}{2}$ 4-44-1 W.5M	73334	4/9/69	320	27.03%
*NE $\frac{1}{4}$ 10-44-1 W.5M	73335	4/9/69	160	27.03%
W $\frac{1}{2}$ 16-44-1 W.5M	73337	4/9/69	320	27.03%
W $\frac{1}{2}$ 22-44-1 W.5M	73338	4/9/69	320	27.03%
E $\frac{1}{2}$ 34-44-1 W.5M	73340A	4/9/69	320	27.03%
*SW $\frac{1}{4}$ 2-45-1 W.5M	81792	2/4/72	160	27.03%
W $\frac{1}{2}$ 4-44-1 W.5M	73334A	4/9/69	320	27.03%
W $\frac{1}{2}$ 10-44-1 W.5M	73335A	4/9/69	320	27.03%
E $\frac{1}{2}$ 16-44-1 W.5M	73337A	4/9/69	320	27.03%
E $\frac{1}{2}$ 22-44-1 W.5M	73338A	4/9/69	320	27.03%
W $\frac{1}{2}$ 34-44-1 W.5M	73340A	4/9/69	320	27.03%
E $\frac{1}{2}$ 28-44-1 W.5M	101069	6/13/75	320	27.03%

NON-UNIT AREA

Crown Petroleum & Natural Gas Lease

<u>Legal Description</u>	<u>Alberta Lease No.</u>	<u>Expiry Date</u>	<u>Gross Acreage</u>	<u>Calif. Standard Interest</u>
W $\frac{1}{2}$ 2-44-1 W.5M	73333	4/9/69	320	100%
*SE $\frac{1}{4}$ 10-44-1 W.5M	73335	4/9/69	160	100%
E $\frac{1}{2}$ 11-44-1 W.5M	73336B	4/9/69	320	100%
W $\frac{1}{2}$ 14-44-1 W.5M	73336	4/9/69	320	100%
*SE $\frac{1}{4}$ 2-45-1 W.5M	81792	2/4/72	160	100%

* Denotes other lands contained in lease.

<u>Legal Description</u>	<u>Alberta Lease No.</u>	<u>Expiry Date</u>	<u>Gross Acreage</u>	<u>Calif. Standard Interest</u>
N $\frac{1}{2}$ 2-45-1 W.5M	81793	2/4/72	320	100%
Sec. 11-45-1 W.5M	81794	2/4/72	640	100%
W $\frac{1}{2}$ 12-45-1 W.5M	81795	2/4/72	320	100%
E $\frac{1}{2}$ 12-45-1 W.5M	81796	2/4/72	320	100%
N $\frac{1}{2}$ 14-45-1 W.5M	81675	1/29/72	320	100%
S $\frac{1}{2}$ 14-45-1 W.5M	81676	1/29/72	320	100%

* Denotes other lands contained in lease.

ALBERTA and SOUTHERN GAS CO. LTD.

NATURAL GAS BUILDING

140 Sixth Avenue S.W.

CALGARY, ALBERTA

January 3, 1958

The California Standard Company
Medical Arts Building
Calgary, Alberta.

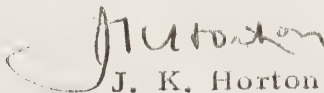
Dear Sirs,

We have received your letter of October 4, 1957, enclosing a form of contract for the sale by you to us of your interest in gas found in the Leduc (D-3) zone of the Dick Lake Area and confirming that you are prepared to enter into this contract with us as soon as the Daily Contract Quantity has been determined by you.

This letter will confirm our acceptance of your offer of sale of the said gas on the terms contained in your said letter of October 4, 1957 and its accompanying contract form.

Yours very truly,

ALBERTA AND SOUTHERN GAS CO. LTD.


J. K. Horton
President

STANDARD FORM NO. 64 (REV. 1-1-64)

MEMORANDUM
TO : THE SECRETARY
FROM : THE SECRETARY
SUBJECT: [Illegible]

[Illegible text block]

[Illegible text block]

[Illegible text block]

[Illegible text block]

[Illegible text block]



THE BRITISH AMERICAN OIL COMPANY LIMITED

PRODUCERS - REFINERS - MARKETERS

PRODUCTION AND PIPE LINE DEPARTMENT

P.O. BOX 130

CALGARY, ALBERTA

September 30, 1957

Alberta and Southern Gas Co. Ltd.,
Natural Gas Building,
140 - Sixth Avenue S.W.,
Calgary, Alberta.

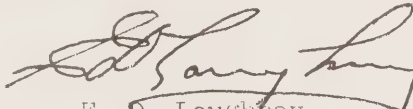
Dear Sirs:

We enclose herewith form of contract representing the result of negotiations for the sale by The British American Oil Company Limited, as Seller, to Alberta and Southern Gas Co. Ltd., as Buyer, of gas from the Dick Lake Area in the Province of Alberta.

This letter will confirm that The British American Oil Company Limited is prepared to enter into this contract with you covering its interest in the gas found in the Leduc (D-3) zone in the lands in the Dick Lake Area described in the contract as soon as the Daily Contract Quantity, as defined in the contract, has been determined by The British American Oil Company Limited.

Very truly yours,

THE BRITISH AMERICAN OIL COMPANY LIMITED



E. D. Loughney
Vice President

Encl:

DICK LAKE FIELD GAS PURCHASE CONTRACT

Between:

THE BRITISH AMERICAN OIL COMPANY LIMITED

Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

Buyer

I N D E X

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o00o

THIS GAS PURCHASE CONTRACT made the day of

, A.D. 1957.

BETWEEN:

THE BRITISH AMERICAN OIL COMPANY LIMITED, a body corporate, having an office and carrying on business in the City of Calgary, in the Province of Alberta, (hereinafter referred to as "Seller")

OF THE FIRST PART,

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Buyer")

OF THE SECOND PART.

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Company, a California corporation, hereinafter referred to as "P. G. and E.";

AND WHEREAS P. G. and E. and certain subsidiaries and/or affiliates of P. G. and E. propose to construct and operate a natural gas pipeline project, hereinafter called "The Project", having for its principal purpose the transportation of gas purchased by Buyer to the existing integrated transmission and distribution system of P. G. and E.;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Dick Lake Field and Seller will have a supply of gas available from said field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project;

N O W T H E R E F O R E it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date gas is first delivered hereunder.

(d) The word "gas" shall mean natural gas obtained from

the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(j) The term "Seller's lands" shall mean and include the lands set out in Schedule "A" hereto, excluding all natural gas therein not indigenous to the Leduc (D3) zone of said lands.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to said participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions which would preclude Buyer from fully performing this Contract in accordance with its terms Buyer shall give written

notice to Seller setting out such conditions, and unless Seller, within thirty (30) days, agrees in writing to waive performance by Buyer, Buyer shall promptly apply for rehearing, and in the event that Buyer is unsuccessful in having the authorization modified so as to permit Buyer to fully perform this Contract, Seller may at its sole option terminate this Contract within thirty (30) days after notice from Buyer that Buyer is unable to secure such modification. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to said participants from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all other necessary authorizations, in form acceptable to said participants, shall not have been obtained, Seller may at any time thereafter give Buyer (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained by said participants, they will proceed

with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to drill and develop Sellers lands and construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960, or the expiration of twenty-four (24) months after all such authorizations have been obtained, whichever is the later. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: To operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical analysis performed.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend of increasing activity over time.

4. The fourth part of the document discusses the implications of the findings. It suggests that the results have significant implications for the field of study and may lead to further research in this area.

5. The fifth part of the document provides a conclusion and summarizes the key points of the study. It reiterates the importance of accurate record-keeping and the need for ongoing research in this field.

quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the

The first thing I noticed when I stepped out of the car was the
familiarity of the air. It was a warm, humid embrace that I had
missed. The city was a symphony of sounds and smells, a vibrant
tapestry of life. I had heard so much about it, but now it was
here, in front of me. The streets were filled with people, each
with their own story. I felt like I had entered a new world,
one that was both exciting and daunting. The buildings were
tall and modern, yet they had a sense of history. The people
were friendly and welcoming, but there was a hint of mystery
in their eyes. I knew that this was my chance to see the real
city, the one that was not just a collection of buildings and
streets, but a living, breathing organism. I took a deep breath
and stepped out onto the sidewalk. The world was waiting for me.

quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases with properties of others in the field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in the field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and Seller undertakes to and with Buyer that Seller will put forth every reasonable effort before entering into any voluntary oil or gas proration, conservation, ratable taking or other similar program, including unitization for the purposes of conservation, to avoid a reduction in the amount of gas deliverable to Buyer hereunder and to avoid postponing any substantial part of the gas deliverable to Buyer, but nothing herein contained shall require Seller to secure Buyer's consent before entering into such program, provided further that if under any such program the amount of gas attributable to Seller's lands is less than the quantity of gas provided to be delivered under Article IV hereof, that Seller shall not be deemed to be in default under this Contract.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating

agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its present interest in the presently proven and probable reserves in the Leduc (D-3) zone in said field and in the gas produced therefrom is approximately forty-six percent (46%) which percentage interest may be changed from time to time as the unitized area and/or the productive limits of said field are changed. Seller shall notify Buyer within ten (10) days after the date of first delivery of gas hereunder of its then percentage interest and shall thereafter notify Buyer promptly each time said interest changes. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially _____ Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when

and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June, 1961, for the period from the date of first delivery to 30 June, 1961, Seller shall use its best efforts to deliver to Buyer a daily volume of gas up to one hundred and ten percent (110%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July, 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver to Buyer up to a volume of one hundred and ten percent (110%) of the Daily Contract Quantity, and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month

and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. In the event Seller by written notice to Buyer not later than 1 July, 1959, elects to increase the initial Daily Contract Quantity by not to exceed twenty-five percent (25%), then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by the percentage so elected, effective 1 July, 1962; provided, further, that in the event Seller by written notice to Buyer not later than 1 July, 1960, elects to increase the initial Daily Contract Quantity by not to exceed fifty percent (50%), then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by the percentage so elected, effective 1 July, 1963; provided, however, that before Seller may make either election, Seller and Buyer shall agree, or, if they are unable to agree, have determined by an arbitrator selected in accordance with the provisions of Section 2 of Article XIV, that Seller's then interest in the then estimated proven and probable reserves in said zone is not less than a volume equal to the Daily Contract Quantity Seller proposes to elect multiplied by the product of three hundred and sixty-five (365) days and twenty (20) years.

3. Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter,

shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and ten percent (110%) of the initial Daily Contract Quantity not later than the date The Project is ready for operation, and one hundred and ten percent (110%) of the Daily Contract Quantity, as it may exist from time to time, thereafter; provided, however, that Seller shall not be required to carry its overall development program beyond what the Seller considers to be the economic limits.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and ten percent (110%) of the Daily Contract Quantity. The right of Buyer under this Section shall not extend beyond the term of this Contract.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and ten percent (110%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas)

Buyer may notify Seller in writing of such failures. Seller shall have such time as may be necessary provided it proceeds promptly and continues diligently thereafter in its attempts to restore its ability to deliver such quantity during which time the Daily Contract Quantity shall be reduced temporarily to a volume equal to ninety percent (90%) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and ten percent (110%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the completion of such attempts, or at such earlier time as Seller may request, Buyer shall have the right to reduce the Daily Contract Quantity to a volume equal to ninety percent (90%) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas when delivered hereunder shall be merchantable gas and shall be considered merchantable gas if it at all times complies with the following quality requirements:

(i) Heating Value: The gas when delivered hereunder shall have a gross heating value of not less than nine hundred and seventy five (975) BTUs per cubic foot but, at the option of Buyer, gas at lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas to be delivered by Seller hereunder:

(a) Shall be commercially free from dust, gums, crude oil, hydrocarbons liquefiable at temperatures in excess of fifteen degrees (15°) Fahrenheit at eight hundred (800) pounds per square inch gauge, impurities and other objectionable substances which may become separated from the gas and interfere with its transmission through pipe lines.

(b) Shall be commercially free from hydrogen sulphide, containing not more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(c) Shall not contain more than twenty (20) grains of total sulphur per one hundred (100) cubic feet.

(d) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(e) Shall have been dehydrated by Seller for removal of water present therein in a vapor state, and in no event contain more than four (4)

pounds of water vapor per one million (1,000,000) cubic feet of gas, when measured at a pressure of fourteen and four-tenths (14.4) pounds per square inch absolute and a temperature of sixty degrees (60°) Fahrenheit.

(f) Shall not exceed one hundred and twenty degrees (120°)

Fahrenheit in temperature at the point of delivery.

2. Tests to determine the sulphur, hydrogen sulphide, and carbon dioxide content of the gas at the point of delivery shall be made by Buyer, at Buyer's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Buyer, at Buyer's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Buyer frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right to require Seller to discontinue deliveries hereunder until such deficiency is remedied. In addition, Buyer shall have the right to all other remedies available to it by law except in any case where the failure of Seller to remedy the deficiency after diligent efforts is due to some characteristic of the gas which could not have been reasonably anticipated by the Seller on the basis of information available to it at the date of this contract. If Seller is unable to remedy the deficiency Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to ninety percent (90%) of the volume which the Seller can deliver in

conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and four-tenths (14.4) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at thirteen and one-tenth (13.1) pounds per square inch absolute.

2. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered hereunder the following practices shall prevail:

(i) Metering: The gas delivered by Seller to Buyer hereunder shall be metered at the point of delivery by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Associa-

tion, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which gas is delivered hereunder. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of gas delivered hereunder shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered hereunder at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that if the total quantity of gas available for delivery to Buyer at the point of delivery hereunder is in excess of 50,000 Mcf per day, Buyer will install

continuous recording equipment when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas delivered hereunder from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. In the event continuous recording equipment is installed, the specific gravity of the gas delivered each day shall be the arithmetical average of the specific gravities determined during such day.

(iii) Temperature: The flowing temperature of the gas delivered hereunder shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volumes of gas delivered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half ($1/2$) of the elapsed time since the last test, which-

ever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered hereunder for inaccuracies in measuring equipment of two percent (2%) or less.

3. Heating value: Tests to determine the gross heating value of gas delivered hereunder shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered

hereunder at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that if the total quantity of gas available for delivery to Buyer at the point of delivery hereunder is in excess of 50,000 Mcf per day, Buyer will install a calorimeter for continuous recording of the heating value of the gas at the point of delivery when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered hereunder from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of the gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 3.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangements for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measurement

equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of instal-

ling such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so.

In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to ninety percent (90%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title, Seller shall be deemed to be in control and possession of and be responsible for such gas and, thereafter, Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's

authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From date of initial delivery	
through June 30, 1961 ...	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962 ...	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963 ...	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964 ...	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965 ...	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966 ...	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967 ...	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968 ...	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973 ...	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978 ...	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983 ...	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof ...	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to redetermine the prices to be paid pursuant to this Contract on July 1, 1968 and at five-year intervals thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding,

then such party shall have the right to refer the matter to arbitration in accordance with Article XV.

Regardless of anything herein elsewhere contained, any prices fixed by redetermination or by arbitration shall in no event be effective earlier than the first date of the new pricing period or be lower than the prices set forth in Subsection (i) of this Section 1. If the price, or the time weighted average of the prices, so fixed for said new pricing period exceeds the price set forth in said Subsection for said new pricing period, then the amount of the excess shall be added to the price set forth in said Subsection for each of the remaining pricing periods and the new prices thus determined shall be substituted for the prices set forth in said Subsection.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of more than 1025 to 1050, incl. -	1.025
For gas with a BTU content of more than 1050 to 1075, incl. -	1.050
For gas with a BTU content of more than 1075 - - - - -	1.075
For gas with a BTU content of less than 1000 to 975, incl. -	.975
For gas with a BTU content of less than 975 to 950, incl. -	.950

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes) other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to Seller one-half ($1/2$) of any such increase in taxes or one-half ($1/2$) of such new taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid and, within thirty (30) days after submission of such statement, Buyer shall reimburse Seller to the extent of one-half ($1/2$) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order, either of the Oil and Gas Conservation Board of the Province of Alberta or other governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change

in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's costs per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th from gas producers delivering gas to Buyer or Buyer's nominee from fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's costs per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas deliverable hereunder during such month by an amount equal to the difference between such weighted average of Buyer's costs per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "cost per Mcf" as used herein shall mean the purchase price per Mcf plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such cost shall be determined with respect to any other Contracts on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of

the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12.00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Eight (108) United States Cents or not less than Ninety-eight (98) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is:

(a) In excess of One Hundred and Eight (108) United States Cents and is not more than One Hundred and Thirteen (113) United States Cents for One (1) Canadian Dollar, or

(b) Less than Ninety-eight (98) United States Cents but not less than Ninety-three (93) United States Cents for One (1) Canadian Dollar,

then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

Let:	Pc	=	Price payable in Canadian currency during the month;
	C	=	Volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = Volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = Price in the Contract;

E = Average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

Then: In case such average exchange rate exceeds One Hundred and Eight (108) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{108}{E} \right)$$

In case such average exchange rate is less than Ninety-eight (98) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{98}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Thirteen (113) United States Cents or is less than Ninety-three (93) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Thirteen (113) or Ninety-three (93) United States Cents respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Thirteen (113) United States Cents or is less than Ninety-three (93) United States Cents for One (1) Canadian Dollar for

at least three(3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Thirteen (113) United States Cents or was less than Ninety-three (93) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six(6) months, then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsection (ii), (iii) and (iv), for the period pending renegotiation as provided therein, of this Section 6 exceed or be less than the value of "P", as the case may be, by more than one (1) cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth

day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Said statement, unless objected to by either party within one (1) year after being rendered, shall be accepted by both parties as correct. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to a court of competent jurisdiction any dispute as to the amount due Seller for gas delivered hereunder; and pending such court's decision Seller's remedies hereinabove provided shall be

suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests, restraints of rulers and peoples, civil disturbances,

explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any governmental authority having jurisdiction or the order from a court of final jurisdiction (provided that nothing herein contained shall require either party to appeal any order which in the opinion of that party is within the jurisdiction of the body making it and from which an appeal in the best legal opinion secured by such party has little chance of success), any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, or any other cause, whether of the kind enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to

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pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes.

Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to failure of title through inadvertence, unavoidable failure of title, causes beyond the reasonable control of Seller and to the applicable laws, rules and regulations and to the provisions of Article III and Section 2 of Article XVI of this Contract, Seller's leases are, in Seller's opinion, in full

force and effect and capable of being maintained in full force and effect and will not be disposed of or dealt with by Seller, except through inadvertence, if the result of so doing will be to materially affect Seller's ability to fully perform its obligations hereunder, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such

claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all gas found in the Leduc (D-3) zone in Seller's lands and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.
2. Commencing in the year 1963, prior to July 1st of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of gas reserves dedicated hereto or the deliverability therefrom, or both, or in the event Seller delivers written notice to Buyer at any time prior to any such July 1st date referred to above that Seller wishes to dispense with the joint study of Seller's gas reserves and deliverability and arbitrate Seller's reserves and deliverability commencing on such applicable July 1st, then the matter in question shall be submitted to arbitration

as hereinafter provided. Seller and Buyer shall each appoint an arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, which third arbitrator may be the Oil and Gas Conservation Board of Alberta. If, within thirty (30) days said two arbitrators are unable to agree upon such third arbitrator, the Oil and Gas Conservation Board of Alberta shall be the third arbitrator. The three arbitrators so appointed will proceed immediately to determine not later than September 15th the matter in question in accordance with the Principles of Arbitration as set out in the last two paragraphs of Article XV hereof.

3. (i) In the event it is determined by the parties or the arbitrator that reserves are sufficient, but deliverability is insufficient, Seller shall have such time as may be necessary, provided it proceeds promptly and continues diligently, to proceed with such additional development or such additional remedial measures as may be reasonable in the opinion of Seller as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within such time to complete such additional development as may be necessary to comply with Section 3 of Article IV, Buyer shall have the right to reduce the Daily Contract Quantity to Ninety percent (90%) of the deliverability. Nothing contained in this Subsection (i) of Section 3 shall be construed to limit the right of Buyer to proceed at any time pursuant to Section 5 of Article IV.

(ii) In the event it is determined by the parties or the arbitrators that deliverability is sufficient but reserves are insufficient, Buyer shall have the right to reduce the Daily Contract Quantity hereunder in direct proportion to the deficiency in reserves required for the remainder of the term hereof, if Seller is unable to prove additional reserves within the six (6) months period immediately following the completion of such studies.

(iii) In the event it is determined by the parties or the arbitrators that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller may at its sole option elect to develop additional deliverability of such excess reserves. In the event that Seller elects to develop additional deliverability of such excess reserves, Seller agrees to sell to Buyer and Buyer agrees to purchase such excess gas under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates and other authorizations necessary to make such excess gas available for the purposes of The Project. In the event the parties cannot obtain such

authorizations in form acceptable to them within one year after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party has executed this Contract as Seller and more than one of such parties

is involved in a controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointments to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding upon the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators, the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer, and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.
2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.
3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: ALBERTA AND SOUTHERN GAS CO. LTD.
Natural Gas Building
140 - Sixth Avenue S.W.
Calgary, Alberta

SELLER: THE BRITISH AMERICAN OIL COMPANY
LIMITED
P.O. Box 130
Calgary, Alberta

Any notice hereunder shall be deemed to have been given two (2) clear business days after such notice has been deposited in a post office with

requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority in Canada now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such provision or terms.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

BUYER:

SELLER:

ALBERTA AND SOUTHERN
GAS CO. LTD.

THE BRITISH AMERICAN OIL
COMPANY LIMITED

By: _____

By: _____

By: _____

By: _____

THIS IS SCHEDULE "A" to an Agreement dated the _____ day of _____, 1957, made between THE BRITISH AMERICAN OIL COMPANY LIMITED and ALBERTA AND SOUTHERN GAS CO. LTD.

SELLER'S LANDS

LANDS HELD JOINTLY BY THE BRITISH AMERICAN OIL COMPANY LIMITED, HUSKY OIL & REFINING, LTD., PHILLIPS PETROLEUM COMPANY AND THE CALIFORNIA STANDARD COMPANY, PURSUANT TO AN AGREEMENT DATED FEBRUARY 15, 1956.

TWP. 44, RGE. 1, W5M.

W/2 Section 3
All Section 4
All Section 9
W/2 and NE/4 Section 10
All Section 15
All Section 16
E/2 Section 21
All Section 22
All Section 27
E/2 Section 28
All Section 34
NW/4 Section 35

TWP. 45, RGE 1, W5M.

SW/4 Section 2

LANDS HELD BY THE BRITISH AMERICAN OIL COMPANY LIMITED ADJACENT TO THE LANDS SET FORTH ABOVE.

TWP. 44, RGE. 1, W5M.

E/2 Section 3
All Section 5
All Section 17
W/2 Section 21
All Section 23
All Section 25
NE/4 Section 26
All Section 33
S/2 and NE/4 Section 35

TWP. 45, RGE. 1, W5M.

All Section 3.

ALBERTA and SOUTHERN GAS CO. LTD.

NATURAL GAS BUILDING

140 Sixth Avenue S.W.

CALGARY, ALBERTA

January 3, 1958

The British American Oil Company Limited
P.O. Box 130
Calgary, Alberta

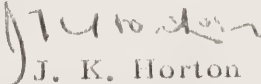
Dear Sir,

We have received your letter of September 30, 1957, enclosing a form of contract for the sale by you to us of your interest in gas found in the Leduc (D-3) zone of the Dick Lake Area and confirming that you are prepared to enter into this contract with us as soon as the Daily Contract Quantity has been determined by you.

This letter will confirm our acceptance of your offer of sale of the said gas on the terms contained in your said letter of September 30, 1957 and its accompanying contract form.

Yours very truly,

ALBERTA AND SOUTHERN GAS CO. LTD.


J. K. Horton
President

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
JANUARY 1964

TO THE HONORABLE CHAIRMAN
OF THE BOARD OF TRUSTEES

FROM THE DEPARTMENT OF CHEMISTRY
AND THE UNIVERSITY OF CHICAGO

FOR THE PURCHASE OF A
NEW BUILDING FOR THE DEPARTMENT OF CHEMISTRY

AND FOR THE

REPAIRS TO THE EXISTING BUILDING

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

TEXACO EXPLORATION COMPANY

135 East 42nd Street
New York (17), N. Y.

August 29, 1957.

Alberta & Southern Gas Co. Ltd.
Natural Gas Building
140 Sixth Avenue S. W.
Calgary, Alta., Canada.

Attention: Mr. J. K. Horton, President

Dear Sirs:

You have advised us of your desire to lay a gas transmission line from Alberta to California and we are pleased to note the progress you are making in bringing another market and outlet for natural gas to Alberta. We understand that authorizations will be necessary in the Province of Alberta and that approval of the Board of Transport Commissioners for Canada will also be necessary.

As you know, we are now negotiating contracts for the sale to you of our gas from Pembina Field and at Pine Coulee. This letter will evidence our willingness to make available to you an additional 40 million cubic feet of gas per day from the area within the Province of Alberta, south of the north line of Township 64 North and west of Range 20 West of the 4th Meridian, and your acceptance of this letter will evidence your willingness to accept, purchase, and pay for such gas.

Of course, as of this date, we are not in a position to make the total additional amount of 40 million cubic feet of gas available to you, but we believe that we shall be able to do so from the fields we now have or which we may develop in this area.

We, accordingly, express to you our willingness to work out with you a mutually satisfactory contract for the sale of such additional amount of gas from the above described area for a period which would be limited to 25 years. This additional amount of gas would be supplied to you from such fields as we now have or shall develop in the areas adjacent to your proposed transmission line, including Castle River, which we are now developing. The gas would be delivered to you in accordance with the other contracts now being negotiated between our Company and yourselves, and on generally the same terms as your

Alberta & Southern Gas Co. Ltd.

August 29, 1957.

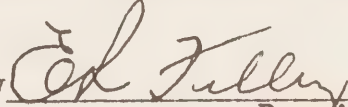
contracts with other operators and at the best price you will be paying in this area on the date deliveries commence. It is understood that the gas sales contracts would provide, however, that the gas will be from those fields and under such conditions as will be satisfactory to our petroleum engineers and that any of these deliveries would not be deemed to include any gas associated with an oil reservoir, except as might be approved by our operating people.

This letter, when accepted by you, shall be considered as continuing in effect as to both of us but shall terminate (1) in the event of rejection of any of your governmental applications either in Canada or the United States, or (2) in the event construction of the proposed line shall not have been commenced by January 1, 1961.

Yours very truly,

TEXACO EXPLORATION COMPANY

By



President

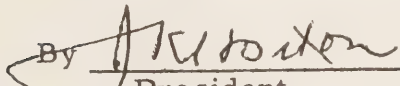
ERF:JE

Accepted and Agreed to

September 16, 1957

ALBERTA AND SOUTHERN GAS CO. LTD.

By



President

1. The first part of the report deals with the general situation of the country and the progress of the work during the year. It is divided into two main sections: the first section deals with the general situation of the country and the progress of the work during the year, and the second section deals with the results of the work during the year.

2. The second part of the report deals with the results of the work during the year. It is divided into two main sections: the first section deals with the results of the work during the year, and the second section deals with the results of the work during the year.

3. The third part of the report deals with the results of the work during the year. It is divided into two main sections: the first section deals with the results of the work during the year, and the second section deals with the results of the work during the year.

4. The fourth part of the report deals with the results of the work during the year. It is divided into two main sections: the first section deals with the results of the work during the year, and the second section deals with the results of the work during the year.

PINE COULEE FIELD GAS PURCHASE CONTRACT

Between

TEXACO EXPLORATION COMPANY

Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

Buyer.

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THIS GAS PURCHASE CONTRACT made the 22 day of November,
1957.

BETWEEN

TEXACO EXPLORATION COMPANY,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Company, a California corporation, hereinafter referred to as "P.G. and E.";

AND WHEREAS P.G. and E. and certain subsidiaries (including Buyer) and/or affiliates of P.G. and E., hereinafter referred to as "the participants", propose to construct and operate a natural gas pipeline project, hereinafter called "The Project", having for its principal purpose the transportation of gas purchased by Buyer to the existing integrated transmission and distribution system of P.G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Pine Coulee Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal

of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60^o) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32^o) Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the

quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to the participants from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the

date hereof all other necessary authorizations, in form acceptable to the participants, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to construct Seller's facilities and otherwise provide for the delivery of gas as required by this Contract. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine whether or not any additional well will be drilled, or when and whether any

well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of

meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than 7,906 Mcf per day for a twenty (20) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially 7,906 Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volumes of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer

shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five (75%) percent of the Daily Contract Quantity on each and every day.

2. In the event that by 1 July 1959 the available reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%) of the initial Daily Contract Quantity per day for a twenty (20) year period, and Seller elects to develop additional deliverability for such reserves then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty (20) year period and Seller elects to develop additional deliverability for such reserves, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%), effective 1 July 1963.

3. Seller agrees that not later than the date The Project is ready for operation Seller's facilities shall be sufficient to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity, and that it will use diligent efforts to maintain deliverability of one hundred and twenty percent (120%) of the Daily Contract Quantity as it may exist from time to time thereafter.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in

1

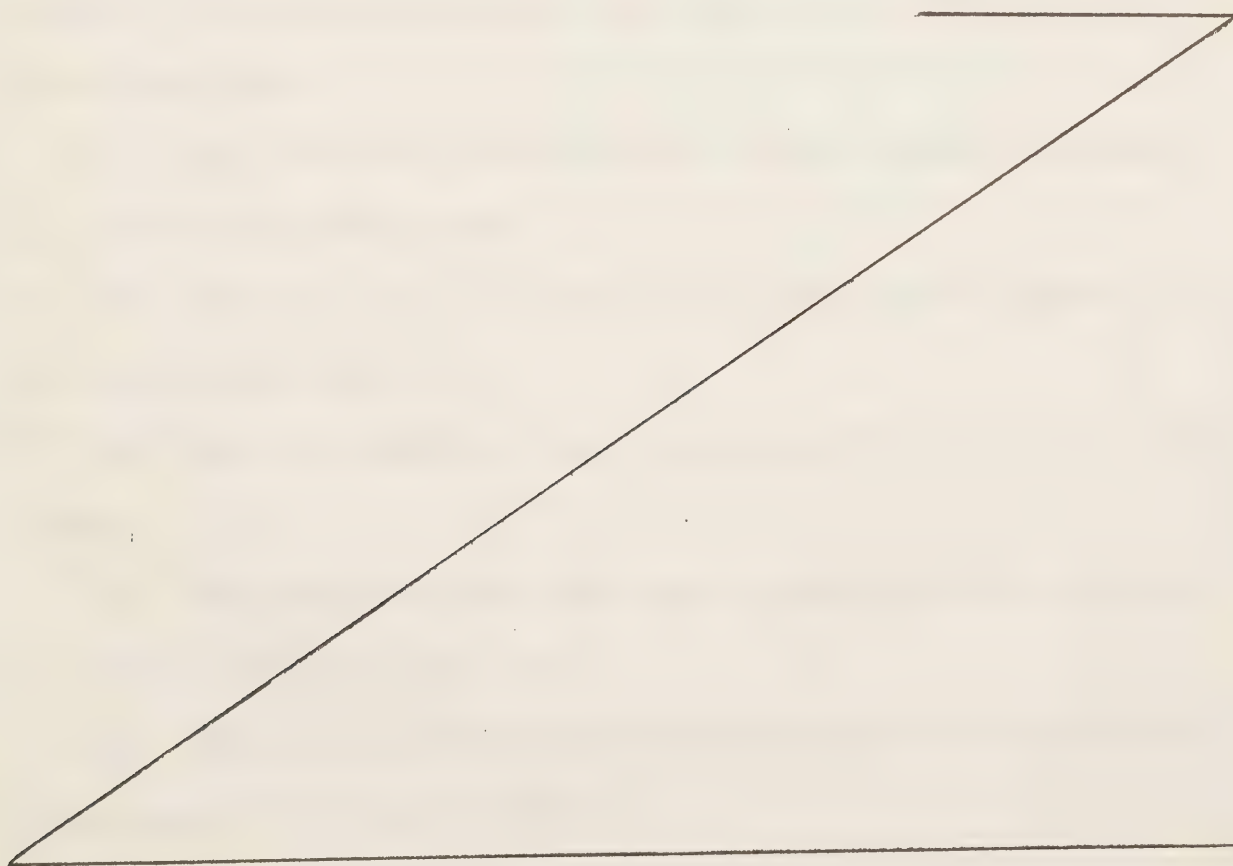
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3

first delivery of gas hereunder Seller believes that the Daily Contract Quantity is less than such fair share, Seller may notify Buyer, and Buyer agrees to negotiate with Seller in an attempt to establish a revised Daily Contract Quantity which will, as nearly as possible, represent Seller's said fair share. Should Buyer and Seller be unable to reach agreement, either party shall have the right to refer the matter to arbitration in accordance with Article XV hereof.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:



11a

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RLWTWGT
CRMCC

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the

exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the

point of measurement hereunder shall be assumed to be constant at thirteen (13.00) pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyles' Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors

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for Natural Gas containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%)

at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at the point of delivery, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's

representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller

does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent ($83 \frac{1}{3}\%$) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or

required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962 . . .	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963 . . .	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964 . . .	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965 . . .	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966 . . .	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967 . . .	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968 . . .	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973 . . .	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978 . . .	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983 . . .	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV, and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection

(i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive	.950
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075 to 1100 inclusive	1.075
For gas with a BTU content of more than 1100 to 1125 inclusive	1.100
For gas with a BTU content of more than 1125	1.125

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to

Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half (1/2) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields other than oil fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer

hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during each such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined

as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United

States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

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The study was conducted in a systematic and rigorous manner. The data was collected from a large sample of respondents. The statistical methods used were appropriate for the data. The results of the study are presented in a clear and concise manner. The findings of the study are discussed in detail. The implications of the study are discussed in detail. The conclusion of the study is presented in a clear and concise manner. The overall findings of the study are discussed in detail. The recommendations of the study are presented in a clear and concise manner.

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(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renegotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its

intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions,

The first part of the paper discusses the importance of the
theoretical framework in the study of the
relationship between the variables. It is argued that
the theoretical framework is essential for the
understanding of the phenomenon under study.
The second part of the paper presents the
methodology used in the study. It is argued that
the methodology is essential for the
validity of the results. The third part of the
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understanding of the phenomenon under study.
The ninth part of the paper discusses the
references. It is argued that the references
are essential for the understanding of the
phenomenon under study.

breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to unavoidable failure of title and to the applicable laws, rules and regulations, Seller's leases are in full force and effect and are capable of being maintained and will be maintained by Seller in full force and effect for as long as in Seller's opinion gas can be produced therefrom in paying quantities, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements

with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves

dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller may proceed with such additional development as may be necessary to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect at the time of such determination. In the event Seller fails within six (6) months from and after such determination to complete such additional development the Daily Contract Quantity shall be reduced to eighty-

three and one-third percent (83-1/3%) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that deliverability is sufficient but reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make available and dedicate to this Contract such additional uncommitted reserves as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are economically producible and available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The

Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller, shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party have executed this Contract as Seller and more than one of such parties are involved in the same controversy with Buyer,

they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and

assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: ALBERTA AND SOUTHERN GAS CO. LTD.
140 - 6th Avenue S.W.
Calgary, Alberta.

SELLER: TEXACO EXPLORATION COMPANY
237 - 7th Avenue S.W.
Calgary, Alberta.

Any notice hereunder shall be given by registered mail and shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

PINE COULEE FIELD GAS PURCHASE CONTRACT

Between

BAILEY SELBURN OIL AND GAS LTD.

Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

Buyer.

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THIS GAS PURCHASE CONTRACT made the 20th day of November
1957.

BETWEEN

BAILEY SELBURN OIL AND GAS LTD.
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Com-
pany, a California corporation, hereinafter referred to as "P.G. and E.";

AND WHEREAS P.G. and E. and certain subsidiaries (including
Buyer) and/or affiliates of P.G. and E., hereinafter referred to as "the par-
ticipants", propose to construct and operate a natural gas pipeline project,
hereinafter called "The Project", having for its principal purpose the trans-
portation of gas purchased by Buyer to the existing integrated transmission
and distribution system of P.G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Pine Coulee Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal



of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the

quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to the participants from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the

date hereof all other necessary authorizations, in form acceptable to the participants, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to construct Seller's facilities and otherwise provide for the delivery of gas as required by this Contract. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine whether or not any additional well will be drilled, or when and whether any



well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of



meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.



ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than 3,896 Mcf per day for a twenty (20) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially 3,896 Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volumes of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer



shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five (75%) percent of the Daily Contract Quantity on each and every day.

2. In the event that by 1 July 1959 the available reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%) of the initial Daily Contract Quantity per day for a twenty (20) year period, and Seller elects to develop additional deliverability for such reserves then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty (20) year period and Seller elects to develop additional deliverability for such reserves, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%), effective 1 July 1963.

3. Seller agrees that not later than the date The Project is ready for operation Seller's facilities shall be sufficient to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity, and that it will use diligent efforts to maintain deliverability of one hundred and twenty percent (120%) of the Daily Contract Quantity as it may exist from time to time thereafter.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in



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which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent (83-1/3%) of the average daily volume of Gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller fails to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the



exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the

point of measurement hereunder shall be assumed to be constant at thirteen (13.00) pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyles' Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors

for Natural Gas containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%)

at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at the point of delivery, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's

representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller

does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent (83 1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or

required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through	
June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962 . . .	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963 . . .	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964 . . .	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965 . . .	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966 . . .	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967 . . .	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968 . . .	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973 . . .	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978 . . .	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983 . . .	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV, and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection

(i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive	.950
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075 to 1100 inclusive	1.075
For gas with a BTU content of more than 1100 to 1125 inclusive	1.100
For gas with a BTU content of more than 1125	1.125

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to

Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half (1/2) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields other than oil fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer

hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during each such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined

as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) - \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United

States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renegotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its

intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions,

breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to unavoidable failure of title and to the applicable laws, rules and regulations, Seller's leases are in full force and effect and are capable of being maintained and will be maintained by Seller in full force and effect for as long as in Seller's opinion gas can be produced therefrom in paying quantities, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements

with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves

dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller may proceed with such additional development as may be necessary to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect at the time of such determination. In the event Seller fails within six (6) months from and after such determination to complete such additional development the Daily Contract Quantity shall be reduced to eighty-

three and one-third percent ($83\frac{1}{3}\%$) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that deliverability is sufficient but reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make available and dedicate to this Contract such additional uncommitted reserves as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are economically producible and available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The

Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller, shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party have executed this Contract as Seller and more than one of such parties are involved in the same controversy with Buyer,

they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and

assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: ALBERTA AND SOUTHERN GAS CO. LTD.
140 - 6th Avenue S.W.
Calgary, Alberta.

SELLER: BAILEY SELBURN OIL AND GAS LTD.
901 - 8th Avenue W.
Calgary, Alberta.

Any notice hereunder shall be given by registered mail and shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.



5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

BAILEY SELBURN OIL AND GAS LTD.

By W. A. FRILEY
Vice President

"SELLER"
By C. M. MacINNES
Assistant Secretary
(SEAL)

ALBERTA AND SOUTHERN GAS CO. LTD.

By J. K. HORTON
President

"BUYER"
By R. L. WINTON
Secretary
(SEAL)

ALBERTA and SOUTHERN GAS CO. LTD.

NATURAL GAS BUILDING

140 Sixth Avenue S.W.

CALGARY, ALBERTA

October 22, 1957

Bailey Selburn Oil & Gas Ltd.
901 Eighth Avenue West
Calgary, Alberta

Gentlemen:

By letter dated October 7, 1957, we forwarded to you for execution a Contract for the sale by you and purchase by us of your share of the gas produced from the Pine Coulee Field.

In accordance with your subsequent request we hereby agree to amend the said Contract by adding a Section 7 to Article IV, to read as follows:

"7. It is the intent of this Contract that, conditional upon Seller having sufficient deliverability, Buyer shall take from Seller the latter's fair share of the gas produced from the Pine Coulee Field. If at any time after the first delivery of gas hereunder Seller believes that the Daily Contract Quantity is less than such fair share, Seller may notify Buyer, and Buyer agrees to negotiate with Seller in an attempt to establish a revised Daily Contract Quantity which will, as nearly as possible, represent Seller's said fair share. Should Buyer and Seller be unable to reach agreement, either party shall have the right to refer the matter to arbitration in accordance with Article XV hereof."

If you agree to the foregoing amendment, please so indicate by executing both copies of this letter and returning one copy to us.

Yours very truly

ALBERTA AND SOUTHERN GAS CO. LTD.

By J. K. HORTON
J. K. Horton, President

Accepted and agreed to as
of the date of execution
of said Contract

BAILEY SELBURN OIL & GAS LTD.

By W. A. FRILEY
V. Pres.

THE HISTORY OF THE UNITED STATES

OF THE
NORTH AMERICAN CONTINENT

BY

JOHN F. JOHNSON

NEW YORK

JOHN F. JOHNSON, 100 NASSAU ST., N.Y.C.

JOHN F. JOHNSON, 100 NASSAU ST., N.Y.C.

JOHN F. JOHNSON, 100 NASSAU ST., N.Y.C.

JOHN F. JOHNSON, 100 NASSAU ST., N.Y.C.

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Outline of Field, "EXHIBIT A"
of GAS PURCHASE CONTRACT -

PINE COULEE FIELD GAS PURCHASE CONTRACT

Between

SELBAY EXPLORATION LTD.

Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

Buyer.

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THIS GAS PURCHASE CONTRACT made the 20th day of November
1957.

BETWEEN

SELBAY EXPLORATION LTD.
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Com-
pany, a California corporation, hereinafter referred to as "P.G. and E.";

AND WHEREAS P.G. and E. and certain subsidiaries (including
Buyer) and/or affiliates of P.G. and E., hereinafter referred to as "the par-
ticipants", propose to construct and operate a natural gas pipeline project,
hereinafter called "The Project", having for its principal purpose the trans-
portation of gas purchased by Buyer to the existing integrated transmission
and distribution system of P.G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Pine Coulee Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal

of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the

quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to the participants from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the

date hereof all other necessary authorizations, in form acceptable to the participants, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to construct Seller's facilities and otherwise provide for the delivery of gas as required by this Contract. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine whether or not any additional well will be drilled, or when and whether any

well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of

meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than 1,948 Mcf per day for a twenty (20) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially 1,948 Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volumes of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer

shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five (75%) percent of the Daily Contract Quantity on each and every day.

2. In the event that by 1 July 1959 the available reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%) of the initial Daily Contract Quantity per day for a twenty (20) year period, and Seller elects to develop additional deliverability for such reserves then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty (20) year period and Seller elects to develop additional deliverability for such reserves, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%), effective 1 July 1963.

3. Seller agrees that not later than the date The Project is ready for operation Seller's facilities shall be sufficient to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity, and that it will use diligent efforts to maintain deliverability of one hundred and twenty percent (120%) of the Daily Contract Quantity as it may exist from time to time thereafter.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in

which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of Gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller fails to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the

exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the

point of measurement hereunder shall be assumed to be constant at thirteen (13.00) pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyles' Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors

for Natural Gas containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%)

at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at the point of delivery, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's

representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller

does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent ($83 \frac{1}{3}\%$) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or

required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962 . . .	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963 . . .	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964 . . .	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965 . . .	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966 . . .	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967 . . .	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968 . . .	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973 . . .	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978 . . .	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983 . . .	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV, and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection

(i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive	.950
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075 to 1100 inclusive	1.075
For gas with a BTU content of more than 1100 to 1125 inclusive	1.100
For gas with a BTU content of more than 1125	1.125

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to

Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half (1/2) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields other than oil fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer

hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during each such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined

as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) - \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United

States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renegotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its

intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions,

breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.



2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to unavoidable failure of title and to the applicable laws, rules and regulations, Seller's leases are in full force and effect and are capable of being maintained and will be maintained by Seller in full force and effect for as long as in Seller's opinion gas can be produced therefrom in paying quantities, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements

with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves

dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller may proceed with such additional development as may be necessary to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect at the time of such determination. In the event Seller fails within six (6) months from and after such determination to complete such additional development the Daily Contract Quantity shall be reduced to eighty-

three and one-third percent (83-1/3%) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that deliverability is sufficient but reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make available and dedicate to this Contract such additional uncommitted reserves as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are economically producible and available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The

The first part of the paper discusses the importance of the study and the objectives of the research. It also outlines the methodology used in the study and the results obtained. The second part of the paper discusses the implications of the study and the conclusions drawn from the research. It also provides a summary of the findings and a list of references.

The study was conducted in a laboratory setting and involved the use of a series of tests to measure the performance of the system. The results of the tests were compared to the theoretical predictions and the conclusions drawn from the research. The study found that the system performed well under the conditions tested and that the theoretical predictions were generally accurate.

The implications of the study are that the system can be used in a variety of applications and that the results of the research can be used to improve the design of the system. The conclusions drawn from the research are that the system is a viable option for the application and that the results of the research can be used to improve the design of the system.

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Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller, shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party have executed this Contract as Seller and more than one of such parties are involved in the same controversy with Buyer,

they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and

assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: ALBERTA AND SOUTHERN GAS CO. LTD.
140 - 6th Avenue S. W.
Calgary, Alberta.

SELLER: SELBAY EXPLORATION LTD.
901 - 8th Avenue W.
Calgary, Alberta.

Any notice hereunder shall be given by registered mail and shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

SELBAY EXPLORATION LTD.

By W. A. FRILEY
President

"SELLER" By C. M. MacINNES
Assistant Secretary

(SEAL)

ALBERTA AND SOUTHERN GAS CO. LTD.

By J. K. HORTON
President

"BUYER" By R. L. WINTON
Secretary

(SEAL)

ALBERTA and SOUTHERN GAS CO. LTD.

NATURAL GAS BUILDING

140 Sixth Avenue S.W.

CALGARY, ALBERTA

October 22, 1957

Selbay Exploration Ltd
901 Eighth Avenue West
Calgary, Alberta

Gentlemen:

By letter dated October 7, 1957, we forwarded to you for execution a Contract for the sale by you and purchase by us of your share of the gas produced from the Pine Coulee Field.

In accordance with your subsequent request we hereby agree to amend the said Contract by adding a Section 7 to Article IV, to read as follows:

"7. It is the intent of this Contract that, conditional upon Seller having sufficient deliverability, Buyer shall take from Seller the latter's fair share of the gas produced from the Pine Coulee Field. If at any time after the first delivery of gas hereunder Seller believes that the Daily Contract Quantity is less than such fair share, Seller may notify Buyer, and Buyer agrees to negotiate with Seller in an attempt to establish a revised Daily Contract Quantity which will, as nearly as possible, represent Seller's said fair share. Should Buyer and Seller be unable to reach agreement, either party shall have the right to refer the matter to arbitration in accordance with Article XV hereof."

If you agree to the foregoing amendment, please so indicate by executing both copies of this letter and returning one copy to us.

Yours very truly,

ALBERTA AND SOUTHERN GAS CO. LTD.

By J. K. Horton
J. K. Horton, President

Accepted and agreed to as
of the date of execution
of said Contract

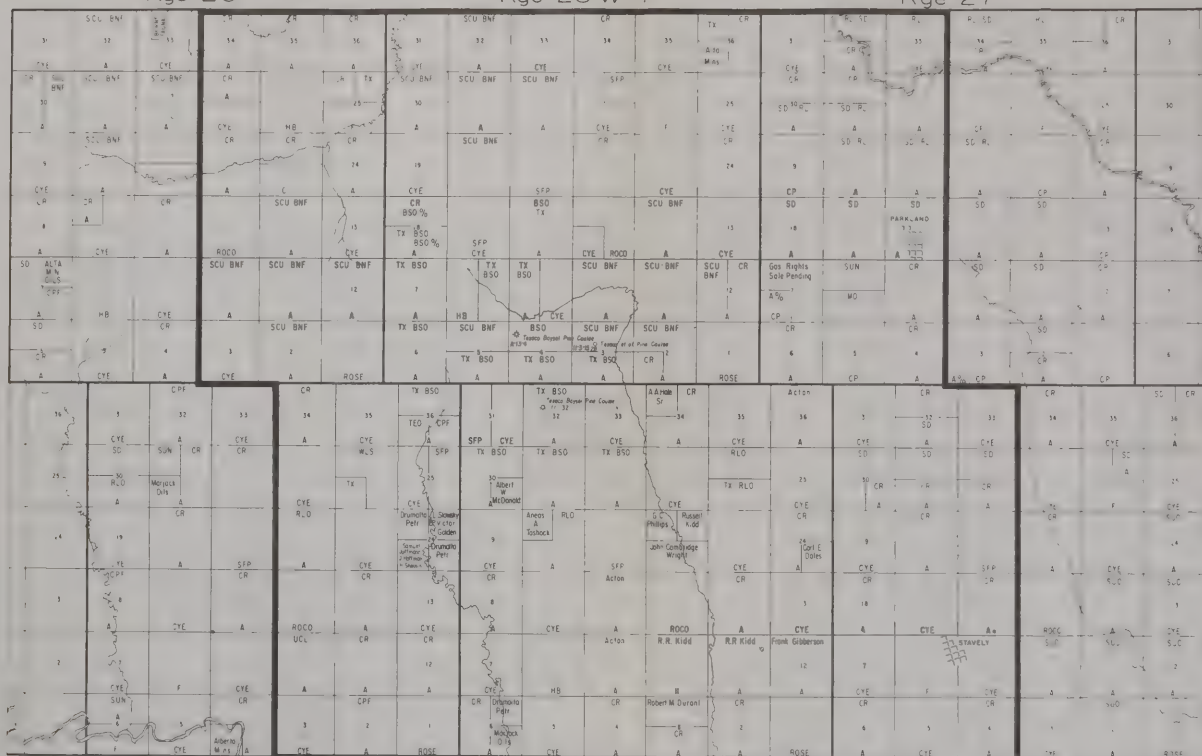
SELBAY EXPLORATION LTD.

By W. A. Friley
Pres.

Rge 29

Rge 28 W 4

Rge 27



Tp. 15

Tp. 14

PINE COULEE FIELD

ALBERTA

Outline of Field, "EXHIBIT A"
of GAS PURCHASE CONTRACT -

MINNEHIK-BUCK LAKE FIELD

GAS PURCHASE CONTRACT

Between

ALIDA OIL COMPANY LIMITED

Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

Buyer

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THIS GAS PURCHASE CONTRACT made the 12th day of December
1957.
ABC
JR
JKH
RLW
BETWEEN

a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Com-
pany, a California corporation, hereinafter referred to as "P.G. and E.";

AND WHEREAS P.G. and E. and certain subsidiaries (including
Buyer) and/or affiliates of P.G. and E., hereinafter referred to as "the par-
ticipants", propose to construct and operate a natural gas pipeline project,
hereinafter called "The Project", having for its principal purpose the trans-
portation of gas purchased by Buyer to the existing integrated transmission
and distribution system of P.G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Minnehik-Buck Lake Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal

of methane to such extent as is necessary in removing other constituents, as the context may require, but shall not include natural gas, the rate of production of which is controlled by the quantity of oil simultaneously produced.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the

quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to the participants from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the

date hereof all other necessary authorizations, in form acceptable to the participants, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when and where any additional well will be drilled, or when and whether any

The first part of the paper is devoted to a general discussion of the problem. It is shown that the problem is of great importance in the theory of differential equations. The second part is devoted to the construction of the solution. It is shown that the solution can be obtained by the method of variation of parameters. The third part is devoted to the study of the properties of the solution. It is shown that the solution is unique and stable.

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well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of

meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than 10,000 Mcf per day for a twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially 10,000 Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volumes of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer

shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. In the event that by 1 July 1959 the available reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, and Seller elects to develop additional deliverability for such reserves then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period and Seller elects to develop additional deliverability for such reserves, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%), effective 1 July 1963.

3. Seller agrees that Seller's facilities and the number of wells which

Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity not later than the date The Project is ready for operation, and one hundred and twenty percent (120%) of the Daily Contract Quantity, as it may exist from time to time, thereafter; provided, however, that Seller shall not be required to carry its overall development program beyond what the Seller considers to be the economic limits.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be

1890-1891
The first year of the new century
was a year of great change
and progress in many ways
The people of the world
were beginning to realize
the importance of education
and the need for reform
in many of the old customs
and traditions of the past
The new ideas of science
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necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, Buyer shall have the right to reduce the Daily Contract Quantity to a volume equal to eighty-three and one-third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15⁰) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110⁰) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the

exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the

point of measurement hereunder shall be assumed to be constant at thirteen and seventeen one-hundredths (13.17) pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the methodology used in the study. The second part of the paper presents the results of the study and discusses the implications of the findings. The third part of the paper concludes the study and provides some final thoughts on the research.

The study was conducted using a qualitative research approach. The data was collected through interviews with participants who were selected through purposive sampling. The interviews were conducted in a semi-structured format, allowing the researcher to explore the topics in depth while also following a general guide. The data was then analyzed using thematic analysis, which involves identifying themes or patterns in the data.

The findings of the study suggest that there are several factors that influence the outcomes of the research. These factors include the quality of the data, the reliability of the participants, and the effectiveness of the research methods. The study also found that there are some limitations to the research, such as the small sample size and the potential for bias.

In conclusion, the study provides valuable insights into the research process and the factors that influence the outcomes of the research. It also highlights the importance of using a qualitative research approach and the need for careful selection of participants and research methods.

for Natural Gas containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%)

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical analysis performed.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend of increasing activity over time.

4. The fourth part of the document discusses the implications of the findings. It suggests that the results of the study have significant implications for the field of research and may lead to further developments in the future.

5. The fifth part of the document concludes the study. It summarizes the main findings and provides a final statement on the importance of the research.

at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at the point of delivery, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's

The first part of the paper discusses the importance of the
theoretical framework in the study of the
relationship between the variables. The second part
presents the empirical results of the study. The third part
discusses the implications of the findings for the
theory and practice. The fourth part concludes the paper.

The results of the study show that there is a significant
positive relationship between the variables. This finding
is consistent with the theoretical framework. The
implications of the findings for the theory and practice
are discussed. The paper concludes that the theoretical
framework is supported by the empirical results.

representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller

does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent (83 1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or

required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962 . . .	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963 . . .	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964 . . .	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965 . . .	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966 . . .	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967 . . .	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968 . . .	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973 . . .	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978 . . .	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983 . . .	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV, and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection

(i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive	.950
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075 to 1100 inclusive	1.075
For gas with a BTU content of more than 1100 to 1125 inclusive	1.100
For gas with a BTU content of more than 1125	1.125

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to

Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half (1/2) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields other than oil fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer

hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined

as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United

States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renegotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its

intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions,

breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to unavoidable failure of title and to the applicable laws, rules and regulations, Seller's leases are in full force and effect and are capable of being maintained and will be maintained by Seller in full force and effect for as long as in Seller's opinion gas can be produced therefrom in paying quantities, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements

with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof of up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves

dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller shall proceed with such additional development as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within six (6) months from and after such determination to complete such additional development as may be necessary to comply with Section 3 of Article IV, Buyer shall have the right to reduce the Daily Contract Quantity to eighty-

The first part of the book is devoted to a general discussion of the principles of the theory of the structure of the human mind. It is in this part that the author introduces the concept of the "structure of the mind" and discusses its various components and their interrelationships. The second part of the book is devoted to a detailed analysis of the structure of the human mind, with particular emphasis on the role of the senses and the intellect. The third part of the book is devoted to a discussion of the various theories of the structure of the human mind, with particular emphasis on the theories of Aristotle, Plato, and Descartes. The fourth part of the book is devoted to a discussion of the various methods of studying the structure of the human mind, with particular emphasis on the methods of introspection, observation, and experiment. The fifth part of the book is devoted to a discussion of the various applications of the theory of the structure of the human mind, with particular emphasis on the applications to psychology, education, and medicine. The sixth part of the book is devoted to a discussion of the various criticisms of the theory of the structure of the human mind, with particular emphasis on the criticisms of the empiricists and the rationalists. The seventh part of the book is devoted to a discussion of the various defenses of the theory of the structure of the human mind, with particular emphasis on the defenses of the rationalists and the empiricists. The eighth part of the book is devoted to a discussion of the various conclusions of the theory of the structure of the human mind, with particular emphasis on the conclusions of the rationalists and the empiricists. The ninth part of the book is devoted to a discussion of the various implications of the theory of the structure of the human mind, with particular emphasis on the implications for psychology, education, and medicine. The tenth part of the book is devoted to a discussion of the various future directions of the theory of the structure of the human mind, with particular emphasis on the future directions of the rationalists and the empiricists.

three and one-third percent (83-1/3%) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that deliverability is sufficient but reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make available and dedicate to this Contract such additional uncommitted reserves as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are economically producible and available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The

Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller, shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party have executed this Contract as Seller and more than one of such parties are involved in the same controversy with Buyer,

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The document also outlines the specific requirements for record-keeping, including the need to maintain records for a minimum of five years and to ensure that all records are properly indexed and stored.

The second part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The document also outlines the specific requirements for record-keeping, including the need to maintain records for a minimum of five years and to ensure that all records are properly indexed and stored.

The third part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The document also outlines the specific requirements for record-keeping, including the need to maintain records for a minimum of five years and to ensure that all records are properly indexed and stored.

The fourth part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The document also outlines the specific requirements for record-keeping, including the need to maintain records for a minimum of five years and to ensure that all records are properly indexed and stored.

The fifth part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The document also outlines the specific requirements for record-keeping, including the need to maintain records for a minimum of five years and to ensure that all records are properly indexed and stored.

The sixth part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The document also outlines the specific requirements for record-keeping, including the need to maintain records for a minimum of five years and to ensure that all records are properly indexed and stored.

they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and

assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: ALBERTA AND SOUTHERN GAS CO. LTD.
140-6th Avenue S. W.
Calgary, Alberta

SELLER: ALIDA OIL COMPANY LIMITED
940 - 8th Avenue S. W.
Calgary, Alberta

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon.

Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.

The second part of the report deals with the economic situation of the country. It is a very interesting and informative study of the country's economic development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's economic development.

The third part of the report deals with the social situation of the country. It is a very interesting and informative study of the country's social development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's social development.

The fourth part of the report deals with the political situation of the country. It is a very interesting and informative study of the country's political development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's political development.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

ALIDA OIL COMPANY LIMITED

By A. Bryce Cameron

"SELLER"

By Jean Ring
(Seal)

ALBERTA AND SOUTHERN GAS CO. LTD.

By J. K. Horton
President

"BUYER"

By R. L. Winton
Secretary
(Seal)

R.7

R.6W.5

R.5

T.47

T.46

T.45



SCHEDULE "A"
GAS PURCHASE CONTRACT
MINNEHIK - BUCK LAKE FIELD

R 2

R 2 W 3

R 2



SCHEDULE A
GAS PURCHASE CONTRACT

CROSSFIELD FIELD GAS PURCHASE CONTRACT

Between

TENNESSEE GAS TRANSMISSION COMPANY

Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

Buyer

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THIS GAS PURCHASE CONTRACT made the 10th day of
January, 1958.

BETWEEN:

TENNESSEE GAS TRANSMISSION COMPANY,
a body corporate, having an office and carrying
on business in the City of Calgary, in the
Province of Alberta, (hereinafter referred to
as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and carrying
on business in the City of Calgary, in the
Province of Alberta, (hereinafter referred to
as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Com-
pany, a California corporation, hereinafter referred to as "P. G. and E.";

AND WHEREAS P. G. and E. and certain subsidiaries (including
Buyer) and/or affiliates of P. G. and E., hereinafter referred to as "the
participants", propose to construct and operate a natural gas pipeline project,
hereinafter called "The Project", having for its principal purpose the trans-
portation of gas purchased by Buyer to the existing integrated transmission
and distribution system of P.G. and E. in the State of California;

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AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Crossfield Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal

of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60^o) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32^o) Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the

quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to the participants from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the

date hereof all other necessary authorizations, in form acceptable to the participants, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Notwithstanding anything herein elsewhere contained, Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem it advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when and whether any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released

or abandoned; to determine when the economic limits of Seller's overall development program have been reached, whereupon Seller shall not be required to proceed with further development; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than 7,500 Mcf per day for a

twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially 7,500 Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty per cent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety per cent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volumes of gas requested by Buyer up to one hundred and twenty per cent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety per cent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average

The first part of the document discusses the importance of maintaining accurate records of all transactions and the role of the accounting department in ensuring the integrity of the financial statements. It also highlights the need for transparency and accountability in the reporting process.

The second part of the document provides a detailed overview of the company's financial performance over the past year, including a breakdown of revenue, expenses, and profit. It also includes a comparison of the company's performance against industry benchmarks and a discussion of the factors that have contributed to the results.

The third part of the document outlines the company's financial strategy for the upcoming year, including plans for increasing revenue, reducing costs, and improving the overall financial health of the organization. It also includes a discussion of the risks associated with the strategy and the measures that will be taken to mitigate them.

The fourth part of the document provides a summary of the key findings of the financial review and a conclusion on the company's overall financial performance. It also includes a list of recommendations for improving the financial management of the organization and a discussion of the steps that will be taken to implement them.

daily volume equal to eighty per cent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five per cent (75%) of the Daily Contract Quantity on each and every day.

2. Seller agrees that it will use its best efforts to increase its available reserves. In the event that by 1 July 1959 said reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five per cent (125%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five per cent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty per cent (150%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty per cent (50%), effective 1 July 1963.

3. Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and twenty per cent (120%) of the initial Daily Contract Quantity

not later than the date The Project is ready for operation, and one hundred and twenty per cent (120%) of the Daily Contract Quantity, as it may exist from time to time.

4. If Buyer fails to take an average daily quantity equal to ninety per cent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety per cent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty per cent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty per cent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third per cent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred

and twenty per cent (120%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, Buyer shall have the right to reduce the Daily Contract Quantity to a volume equal to eighty-three and one-third per cent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety per cent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil,

impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two per cent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four tenths of one per cent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus

approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty-three and one-third per cent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at 12.70 pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use

of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or

samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two per cent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) If such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) If neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two per cent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at the point of delivery, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable

intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two per cent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and

other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third per cent (83-1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through	
June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962. . . .	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963. . . .	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964. . . .	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965. . . .	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966. . . .	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967. . . .	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968. . . .	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973. . . .	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978. . . .	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983. . . .	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be

paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV, and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection (i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>		<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive		.950
For gas with a BTU content of less than 1000 to 975 inclusive		.975
For gas with a BTU content of more than 1025 to 1050 inclusive		1.025
For gas with a BTU content of more than 1050 to 1075 inclusive		1.050
For gas with a BTU content of more than 1075 to 1100 inclusive		1.075
For gas with a BTU content of more than 1100 to 1125 inclusive		1.100
For gas with a BTU content of more than 1125		1.125

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to Seller one-half ($1/2$) of such new taxes or one-half ($1/2$) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half ($1/2$) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof,

commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields other than oil fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during each such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time,

as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties

are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renegotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate

this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial

The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1801. The letter is addressed to the Senate and House of Representatives, and is signed by James Madison. The letter discusses the state of the Union and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on January 20, 1801. The letter concludes with a statement of the President's confidence in the Congress and a request for their support.

The second part of the document is a report from the Secretary of the Treasury, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by Alexander Hamilton. The report discusses the state of the Treasury and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on January 20, 1801. The report concludes with a statement of the Secretary's confidence in the President and a request for his support.

The third part of the document is a report from the Secretary of the Navy, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by John Adams. The report discusses the state of the Navy and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on January 20, 1801. The report concludes with a statement of the Secretary's confidence in the President and a request for his support.

The fourth part of the document is a report from the Secretary of the War, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by Henry Knox. The report discusses the state of the War and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on January 20, 1801. The report concludes with a statement of the Secretary's confidence in the President and a request for his support.

The fifth part of the document is a report from the Secretary of the Interior, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by Thomas Mifflin. The report discusses the state of the Interior and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on January 20, 1801. The report concludes with a statement of the Secretary's confidence in the President and a request for his support.

The sixth part of the document is a report from the Secretary of the Post Office, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by Gideon Mitchell. The report discusses the state of the Post Office and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on January 20, 1801. The report concludes with a statement of the Secretary's confidence in the President and a request for his support.

The seventh part of the document is a report from the Secretary of the Marine Corps, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by Samuel Barrington. The report discusses the state of the Marine Corps and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on January 20, 1801. The report concludes with a statement of the Secretary's confidence in the President and a request for his support.

The eighth part of the document is a report from the Secretary of the Army, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by Baron von Steuben. The report discusses the state of the Army and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on January 20, 1801. The report concludes with a statement of the Secretary's confidence in the President and a request for his support.

The ninth part of the document is a report from the Secretary of the Air Force, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by John Jay. The report discusses the state of the Air Force and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on January 20, 1801. The report concludes with a statement of the Secretary's confidence in the President and a request for his support.

The tenth part of the document is a report from the Secretary of the Coast Guard, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by John Jay. The report discusses the state of the Coast Guard and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on January 20, 1801. The report concludes with a statement of the Secretary's confidence in the President and a request for his support.

disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothin contained herein shall be construed to require

either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to unavoidable failure of title and to the applicable laws, rules and regulations, Seller's leases are in full force and effect and are capable of being maintained and will be maintained by Seller in full force and effect for as long as in Seller's opinion gas can be produced therefrom in paying quantities, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or other-

wise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of

this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves dedicated hereto or the deliverability therefrom, or both, a qualified independent and impartial consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller shall proceed with such additional development as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within six (6) months from and after such determination to complete such additional development as may be necessary to comply with Section 3

of Article IV, Buyer shall have the right to reduce the Daily Contract Quantity to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that deliverability is sufficient but reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make available and dedicate to this Contract such additional uncommitted reserves as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are economically producible and available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The Project. In the event the parties cannot obtain such authorizations

in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party have executed this Contract as Seller and more than one of such parties are involved in the same controversy with Buyer, they shall be considered as one party. If either party shall fail to

appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.
2. This Contract shall bind and inure to the respective successors

and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd.
140 - 6th Avenue S.W.
Calgary, Alberta

SELLER: Tennessee Gas Transmission Company
803 - 8th Ave. W.
Calgary, Alberta

Any notice hereunder shall be given by registered mail and shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of

the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

TENNESSEE GAS TRANSMISSION COMPANY

By W. W. Witmer J.T.

"SELLER"

By _____

ALBERTA AND SOUTHERN GAS CO. LTD.

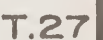
By J. K. Horton
President

"BUYER"

By R. L. Winton
Secretary

(Seal).

Rg. 1



Crossfield Field

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200

300

100

200

300

400



100 200 300 400

100 200 300 400

100 200 300 400

HOMEGLEN RIMBEY FIELD GAS PURCHASE CONTRACT

Between

TEXACO EXPLORATION COMPANY

- and -

MCCOLL-FRONTENAC OIL COMPANY LIMITED

Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

Buyer.

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THIS GAS PURCHASE CONTRACT made the 21st day of

January, 1958.

BETWEEN

TEXACO EXPLORATION COMPANY,
a body corporate, having an office and carry-
ing on business in the City of Calgary, in the
Province of Alberta,

- and -

McCOLL-FRONTENAC OIL COMPANY LIMITED,
a body corporate, having an office and carrying on
business in the City of Calgary, in the Province of
Alberta,
(together hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and carrying on
business in the City of Calgary, in the Province of
Alberta,
(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Company,
a California corporation, hereinafter referred to as "P. G. and E.";

AND WHEREAS P. G. and E. and certain subsidiaries (including
Buyer) and/or affiliates of P. G. and E., hereinafter referred to as "the partici-
pants", propose to construct and operate a natural gas pipeline project, herein-
after called "The Project", having for its principal purpose the transportation of
gas purchased by Buyer to the existing integrated transmission and distribution
system of P. G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Homeglen Rimbey Field, and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the

removal of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in the north half of Section 36, Township 42, Range 2 West of the Fifth Meridian, in the Province of Alberta under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(1) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorizations, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to the participants from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all other necessary

authorizations, in form acceptable to the participants, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to construct Seller's facilities and otherwise provide for the delivery of gas as required by this Contract. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine whether or not any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine

the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other

properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production or to prevent drainage.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than 4,500 Mcf per day for a twenty (20) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially 4,500 Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and

deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June, 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volumes of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not take hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five

percent (75%) of the Daily Contract Quantity on each and every day.

2. Seller agrees that not later than the date The Project is ready for operation Seller's facilities shall be sufficient to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity, and that it will use diligent efforts to maintain deliverability of one hundred and twenty percent (120%) of the Daily Contract Quantity as it may exist from time to time thereafter.

3. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

4. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller

in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller fails to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

5. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not

taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

6. It is the intent of this Contract, that conditional upon Seller having sufficient deliverability, Buyer shall take from Seller the latter's fair share of the gas produced from the Homeglen Rimbey field. If at any time after the first delivery of gas hereunder Seller believes that the Daily Contract Quantity is less than such fair share, Seller may notify Buyer, and Buyer agrees to negotiate with Seller in an attempt to establish a revised Daily Contract Quantity which will, as nearly as possible, represent Seller's said fair share. Should Buyer and Seller be unable to reach agreement, either party shall have the right to refer the matter to arbitration in accordance with Article XV hereof.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the

exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the

point of measurement hereunder shall be assumed to be constant at thirteen and one-tenth (13.10) pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors

for Natural Gas containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%)

at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

- (a) by using the data recorded by any check measuring equipment accurately registering; or
- (b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or
- (c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at the point of delivery, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's

representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller

does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent ($83 \frac{1}{3}\%$) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or

required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962 . . .	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963 . . .	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964 . . .	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965 . . .	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966 . . .	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967 . . .	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968 . . .	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973 . . .	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978 . . .	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983 . . .	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV, and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection

(i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive	.950
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075 to 1100 inclusive	1.075
For gas with a BTU content of more than 1100 to 1125 inclusive	1.100
For gas with a BTU content of more than 1125	1.125

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to

Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half (1/2) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields other than oil fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer

hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during each such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined

as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United

States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renegotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its

intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder, and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions,

breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to unavoidable failure of title and to the applicable laws, rules and regulations, Seller's leases are in full force and effect and are capable of being maintained and will be maintained by Seller in full force and effect for as long as in Seller's opinion gas can be produced therefrom in paying quantities, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements

with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves

dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller may proceed with such additional development as may be necessary to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect at the time of such determination. In the event Seller fails within six (6) months from and after such determination to complete such additional development the Daily Contract Quantity shall be reduced to eighty-

three and one-third percent (83-1/3%) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that deliverability is sufficient but reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make available and dedicate to this Contract such additional uncommitted reserves as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are economically producible and available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The

Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller, shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party have executed this Contract as Seller and more than one of such parties are involved in the same controversy with Buyer,

they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and

assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: ALBERTA AND SOUTHERN GAS CO. LTD.
140 - 6th Avenue S. W.
Calgary, Alberta.

SELLER: TEXACO EXPLORATION COMPANY
237 - 7th Avenue S. W.
Calgary, Alberta.

McCOLL-FRONTENAC OIL COMPANY LIMITED
~~302 - 5th Avenue S. W.~~ 509 - 3rd Street W.
Calgary, Alberta.

A. N. L.

C. A. B.

J. K. H.

R. L. W.

Any notice hereunder shall be given by registered mail and shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party, provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having

jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

TEXACO EXPLORATION COMPANY

By T.W.G. THOMSON Vice President (SEAL)
By C.R. McCLOCKLIN Assistant Secretary

- and -

McCOLL-FRONTENAC OIL COMPANY LIMITED

By A.N. LILLEY President
By C.A. BENGOUGH Ass't. Secretary (SEAL)
"SELLER"

ALBERTA AND SOUTHERN GAS CO. LTD.

By J.K. HORTON President (SEAL)
By R.L. WINTON Secretary
"BUYER"

PEMBINA FIELD GAS PURCHASE CONTRACT

Between:

Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.
Buyer

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THIS GAS PURCHASE CONTRACT made the _____
day of _____, 1957.

B E T W E E N:

(hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD., a
body corporate, having an office and carrying on
business in the City of Calgary, in the Province
of Alberta, (hereinafter referred to as "Buyer")

OF THE SECOND PART

W I T N E S S E T H T H A T:

WHEREAS Buyer is a subsidiary of Pacific Gas and
Electric Company, a California corporation, hereinafter referred to as
"P. G. and E.";

AND WHEREAS P. G. and E. and certain subsidiaries
(including Buyer) and/or affiliates of P. G. and E., hereinafter referred
to as "the participants", propose to construct and operate a natural gas

pipeline project, hereinafter called "The Project", having for its principal purpose the transportation of gas purchased by Buyer to the existing integrated transmission and distribution system of P. G. and E.;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the Pembina Field; and Seller and certain other producers in said Field are arranging for the construction and operation of nine (9) area processing plants to process their casinghead gas and Seller will have a supply of gas available from one or more of said plants and a central fractionation plant and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller, subject to the provisions herein contained, together with the gas available from other producers in said Field, for resale to Northwestern Utilities, Limited, hereinafter called "Northwestern", until The Project is in operation, and thereafter for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A. M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A. M. on the first day of a calendar month and ending at 8:00 o'clock A. M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve (12) consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date gas is first delivered hereunder.

(d) The term "Pembina Field" or "said Field" shall mean that part of the Province of Alberta which is from time to time designated by the Oil and Gas Conservation Board as constituting the Pembina Oil Field.

(e) The term "casinghead gas" shall mean the gas indigenous to the Cardium Pool of Pembina Field as it exists in its natural state at the wellhead when produced from said Pool.

(f) The word "gas" shall mean the residue remaining after the casinghead gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents.

(g) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities, if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(h) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather and process casinghead gas and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(i) The term "Mcf" shall mean one thousand (1,000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(j) The term "BTU" shall mean British Thermal Unit.

(k) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty inches (30") of mercury at thirty-two degrees (32°) Fahrenheit.

(l) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(m) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(n) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to

Seller from the total quantities of casinghead gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that the participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of its objection to such authorization, stating in said notice the particular grounds of objection thereto; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then Seller may elect by notice to withdraw the gas covered hereby as a source of supply for The Project. In the event that all necessary authorizations, in form acceptable to the participants, cannot be obtained, or if so obtained, the conditions of any such authorization cannot be modified

so as to meet Seller's objection thereto and Seller has elected to withdraw the gas covered hereby as above provided, Buyer may continue to purchase such gas and sell such gas to Northwestern or at any time thereafter assign this Contract to Northwestern.

2. Seller represents that Seller has arranged for the construction of Seller's facilities and agrees to use diligent effort to have the construction of Seller's facilities completed by 31 October, 1958. Buyer represents that Northwestern has agreed, subject to obtaining the necessary approvals and authorizations, to construct the necessary pipeline facilities and to take delivery from Buyer of the gas to be purchased hereunder up to the time The Project is completed, and to use diligent effort to complete the construction thereof and take delivery of the gas by the time Seller is able to make deliveries hereunder. Buyer represents that immediately upon the obtaining by the participants of all necessary authorizations, the participants will proceed with due diligence to construct The Project and will use diligent effort to the end that The Project may be placed in operation by 30 November, 1960.

3. It is recognized by the parties hereto that the maximum quantity of gas estimated by the parties to be available from all producers in the said Field on and during any one day is 65,000 Mcf and that Buyer proposes to purchase all of the gas available from the said Field, subject to the terms of Article IV hereof.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign, farm out, pledge, mortgage or hypothecate, subject to this Contract, any of Seller's leases, lands and reserves.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir, operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other processing or handling facilities; provided, however, that Seller will endeavor to give Buyer at least twelve (12) months prior written notice of its intention to use gas for gas lift or return to reservoir.

3. Seller may unitize any of Seller's leases, lands and reserves in said Field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said

Field this Contract will cover the gas attributable to Seller's interest in the unit derived from such leases.

4. Seller shall have the right to sell to others or otherwise dispose of all the gas attributable to Seller's lands until the commencement of deliveries hereunder. Thereafter for periods during which Buyer is not required to take delivery of all the available gas or is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver any gas not taken hereunder to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver to Buyer at the point or points of delivery referred to in Article VIII, and Buyer agrees to purchase and receive from Seller, all of the gas allocated to Seller in respect to casinghead gas produced from Seller's lands on and during each day; provided, however, that Buyer shall not be required to purchase and receive on and during any day, but may if it so elects, more than a maximum of 65,000 Mcf of gas from the Pembina Field; provided further, however, that on any day when the gas available for delivery to Buyer from the said

Field exceeds the said maximum quantity of gas, Buyer shall be obligated to purchase and receive from Seller and notwithstanding the ownership of the gas taken by Buyer, Buyer shall be deemed to have purchased and received from Seller only that quantity of gas which bears the same proportion to the total quantity of gas taken by Buyer from the said Field on such day, as the total quantity of gas available for delivery to Buyer from Seller bears to the total quantity of gas available for delivery to Buyer from the said Field on such day. In the event that a quantity of gas significantly larger than said 65,000 Mcf of gas per day shall become consistently available for delivery to Buyer from the said Field, Seller may elect to cause Buyer to be notified in writing thereof and Buyer will thereupon use diligent effort to put itself in a position to purchase and receive such larger quantity of gas from the said Field and to the extent Buyer shall be successful in so doing, Buyer will increase its maximum daily obligation to purchase and receive gas therefrom.

2. It is recognized by the parties hereto that it is desirable in connection with Seller's operations and the operations of said processing plants to maintain a uniform rate of flow of gas during each day; and it is further recognized that it is necessary in Buyer's operations to have gas available on each and every day throughout each month and to have, if possible, a larger quantity of gas available during the winter period, consisting of the months of November, December, January,

February and March, than during the other months of the year. Seller agrees, therefore, to be diligent in its endeavours to keep its daily deliveries during each month within an operating tolerance of plus or minus ten percent (10%) of the average daily quantity of gas which, in view of the oil allowable established for such month, Seller estimates it will have available for delivery during such month.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot nor more than eleven hundred and fifty (1,150) BTUs per cubic foot, but, with the consent of Buyer, gas at a respectively lower or higher gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas to be delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipelines or which may interfere with its transmission through pipelines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen

degrees (15⁰) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110⁰) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at each point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests

shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at thirteen and twenty-five one-hundredths (13.25) pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1,000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining

the volumes of gas delivered by Seller to Buyer at each point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955, or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50 A

dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volumes of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or

one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at any point of delivery hereunder, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant at such delivery point to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating

value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of the gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test

shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other under Articles V and VI hereof, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINTS OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900)

pounds per square inch gauge. Seller shall install, maintain and operate compressor and other facilities when needed during the term hereof to deliver gas at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point or points of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at the outlet of the plant or plants in said Field where Seller's gas is processed; provided, however, that Buyer shall not be required to take delivery from any plant other than the said central fractionation plant and the said nine (9) processing plants, unless it shall elect so to do.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-seven (27) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	12.00¢ per Mcf
From July 1, 1961 through June 30, 1962.....	12.40¢ per Mcf
From July 1, 1962 through June 30, 1963.....	13.00¢ per Mcf
From July 1, 1963 through June 30, 1964.....	13.40¢ per Mcf
From July 1, 1964 through June 30, 1965.....	13.80¢ per Mcf
From July 1, 1965 through June 30, 1966.....	14.00¢ per Mcf
From July 1, 1966 through June 30, 1967.....	14.20¢ per Mcf
From July 1, 1967 through June 30, 1968.....	14.40¢ per Mcf
From July 1, 1968 through June 30, 1973.....	14.70¢ per Mcf
From July 1, 1973 through June 30, 1978.....	15.80¢ per Mcf
From July 1, 1978 through June 30, 1983.....	16.90¢ per Mcf
From July 1, 1983 and thereafter during the term hereof.....	18.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavour to redetermine the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in

accordance with Article XV.

Regardless of anything herein elsewhere contained, any prices fixed by redetermination or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection (i) of this Section 1.

2. The prices stated in Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1,025) BTUs and no less than one thousand (1,000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1,000) BTUs or more than one thousand and twenty-five (1,025) BTUs, the price to be paid for such gas shall be the product of the price stated in Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive	.950
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075 to 1100 inclusive	1.075
For gas with a BTU content of more than 1100 to 1125 inclusive	1.100
For gas with a BTU content of more than 1125	1.125

Provided, however, that until the date on which The Project is placed in operation, if the gross heating value per cubic foot of the gas is more than one thousand and fifty (1050) BTUs the applicable multiplier shall be 1.050. The foregoing proviso shall cease to be effective at

such time as Northwestern shall, pursuant to authority granted by the Board of Public Utilities Commissioners of the Province of Alberta place domestic and commercial gas tariffs in effect providing for variation of the rates set forth in said tariffs to reflect changes in the heating value of gas delivered to its customers.

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to Seller one-half ($1/2$) of such new taxes or one-half ($1/2$) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half ($1/2$) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the con-



trary, if in order to comply with or by reason of any present or future law, rule, regulation or order, either of the Oil and Gas Conservation Board of the Province of Alberta or other governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased for the contract year ending on the immediately preceding June 30th, from producers delivering to Buyer or Buyer's nominee, from oil fields located in whole or in part within the Province of Alberta, gas the rate of production of which is controlled by the quantity of oil simultaneously produced. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and

such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less

than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = Price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = Price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar;

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-Five (95) United States Cents for One (1) Canadian Dollar;

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds

One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for a least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during

such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii) and (iv) (for the period pending renegotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

7. In recognition of Buyer's agreement to take delivery of gas hereunder at said several delivery points rather than at a single point in the said Field, Seller agrees to pay Buyer each month a charge of one-half (1/2) Cent per Mcf for all gas taken hereunder during such month. The payment to be made hereunder shall be credited against the monthly invoice rendered by Seller under Article XI hereof.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render or cause to be rendered an invoice therefor as soon as practicable after receipt of such statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during such thirty (30) day period Seller has requested the related meter charts, the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian

currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the

fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself in a position to carry out its obligations hereunder. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to unavoidable failure of title and to the applicable laws, rules and regulations, Seller's leases are in full force and effect and are capable of being maintained and will be maintained by Seller in full force and effect for as long as in Seller's

opinion oil and gas can be produced therefrom in paying quantities, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Subject to the provisions of Article III hereof, Seller dedicates exclusively to this Contract all of its reserves and agrees to deliver the gas to Buyer if and when produced during the term hereof; provided, however, that while any of Seller's wells is exempt from Order No. GC-4 of the Oil and Gas Conservation Board or any order substituted therefor, Seller shall not be required to gather and process the casing-head gas produced from such wells and deliver the gas to Buyer hereunder; and provided further that in the event Seller now has or hereafter drills wells the casinghead gas from which cannot be economically treated in any of said nine (9) processing plants and Seller constructs or causes to be constructed an additional processing plant and notifies Buyer of the location of such plant and the volume of gas to be available therefrom, then if Buyer shall not elect within thirty (30) days after such notice to take delivery of such gas within six (6) months from the date of such notice, the gas thereafter produced from said wells and treated in said processing plant shall be released from this Contract.

2. Seller shall furnish to Buyer in writing prior to the commencement of each contract year, Seller's best estimate of the average daily quantities of gas it expects to deliver hereunder during each month of such contract year. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study

of the gas reserves and the availability of gas therefrom, including electrical logs, core analyses and any and all information pertaining to the gas production from Seller's lands; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party has executed this Contract as Seller and more than one of such parties is involved in the same controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but, save for an assignment under Section 1 of Article II hereof, no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably with-

held. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: ALBERTA AND SOUTHERN GAS CO. LTD.
Natural Gas Building
140 - Sixth Avenue S. W.
Calgary, Alberta.

SELLER:

Any notice hereunder shall be deemed to have been given forty-eight (48) hours after such notice has been deposited in a Post Office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with

the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

By _____

" SELLER"

By _____

ALBERTA AND SOUTHERN GAS CO. LTD.

By _____

"BUYER"

By _____

ALBERTA and SOUTHERN GAS CO. LTD.

NATURAL GAS BUILDING

140 Sixth Avenue S.W.

CALGARY, ALBERTA

September 18, 1957

Gentlemen:

By letter dated on or about August 29, 1957 we forwarded to you for execution a Contract for the sale by you and the purchase by us of your share of the Pembina gas.

During the past few days, certain producers have raised one point which requires clarification, and three points which we have concluded require additions to the Contract.

The matter for clarification is the language "In the event that all necessary authorizations, in form acceptable to the participants, cannot be obtained, or if so obtained, the conditions of any such authorization cannot be modified so as to meet Seller's objection thereto and Seller has elected to withdraw the gas covered hereby as above provided, Buyer may continue to purchase such gas and sell such gas to Northwestern or at any time thereafter assign this Contract to Northwestern." which appears as the last sentence of Section 1 of Article II. It is our understanding that this sentence requires and binds us from the effective date of the Contract in accordance with the terms and conditions thereof either (a) to continue to purchase your share of the Pembina gas for the term of the Contract regardless of whether or not all necessary authorizations for The Project in form acceptable to the participants are obtained, or (b) to assign said Contract to Northwestern conditional upon Northwestern accepting such assignment and agreeing to be bound by all the applicable terms and conditions of the Contract including the obligation to purchase the gas covered thereby for the remainder of said term.

The additions which we propose as amendments to said Contract are as follows:

- (1) Insert a new sentence following the second sentence of Section 2 of Article II to read: "If Northwestern has not constructed the necessary

THE HISTORY OF THE
CITY OF BOSTON
FROM 1630 TO 1800

By J. O. HANCOCK

The first settlement of the city of Boston was made in 1630 by a group of Puritan settlers who came from England. They were led by John Winthrop, who gave them the name of the "City upon a Hill".

The city grew rapidly in the following years, and by 1680 it was one of the largest and most important cities in the colonies. It was the center of the Puritan movement, and the seat of the Massachusetts government.

The city was the scene of many important events in the history of the colonies, including the Boston Tea Party and the Battle of the Clouds. It was also the center of the American Revolution, and the seat of the Continental Congress.

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pipeline facilities to take delivery of gas hereunder within sixty (60) days after 31 October, 1958, or within sixty (60) days after Seller has completed Seller's facilities, whichever is the later, Seller shall have the option to terminate this Contract upon thirty (30) days written notice to Buyer."

- (2) At the end of the first sentence of Section 1 (iii) of Article X change the period to a comma and add: "and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof."
- (3) Add the following Section 7 to Article XVI:

"7. The books, records and accounts of each party hereto relating to the subject matter of this Contract shall be opened at all reasonable times for the inspection of the other party."

If you agree to the foregoing, will you please so indicate by signing and returning to us two copies of this letter. We will sign and return one copy to you when we, following the procedure described in our letter of August 29, 1957, execute the Contract for your share of the Pembina gas. The date of September 20, 1957 appearing twice in the next to the last paragraph of the August 29th letter has been extended by us to September 25, 1957.

Yours very truly

ALBERTA AND SOUTHERN GAS CO. LTD.

By _____

Accepted and agreed to
as of the date of execution
of said Contract

By _____

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the President's message to the Congress at the beginning of his first term.

2. The second part of the document is a letter from the Vice President of the United States to the Congress, dated January 1, 1861. It is also a very important document, as it contains the Vice President's message to the Congress at the beginning of his first term.

3. The third part of the document is a letter from the Secretary of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the Secretary's message to the Congress at the beginning of his first term.

4. The fourth part of the document is a letter from the Attorney General of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the Attorney General's message to the Congress at the beginning of his first term.

5. The fifth part of the document is a letter from the Secretary of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the Secretary's message to the Congress at the beginning of his first term.

6. The sixth part of the document is a letter from the Secretary of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the Secretary's message to the Congress at the beginning of his first term.

7. The seventh part of the document is a letter from the Secretary of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the Secretary's message to the Congress at the beginning of his first term.

8. The eighth part of the document is a letter from the Secretary of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the Secretary's message to the Congress at the beginning of his first term.

THIS AGREEMENT made this 1st day of November, 1957

B E T W E E N:

SHELL OIL COMPANY, a body corporate,
having an office and carrying on business in
the City of Calgary, in the Province of
Alberta,

- and -

CANADIAN SHELL EXPLORATIONS LIMITED,
a body corporate, having an office and carrying
on business in the City of Toronto, in the
Province of Ontario, (hereinafter jointly called
"Producers")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD. ,
a body corporate, having an office and carry-
ing on business in the City of Calgary, in the
Province of Alberta, (hereinafter called "Gas
Company")

OF THE SECOND PART

WHEREAS:

A. Producers now own or control petroleum and/or natural
gas rights or interests and may hereafter acquire similar rights or interests
in that area of land (hereinafter called "the said area") outlined by a heavy
black line on the map attached hereto and marked Schedule "A" and by this
reference made a part hereof, and Producers expect to develop and have gas
available for sale therefrom; and

B. Gas Company is engaged in the purchase of gas for a pipe-
line project having for its principal purpose the transportation of pipeline gas

to markets in the State of California; and

C. Gas Company has entered into several gas purchase contracts in connection with said pipeline project; and

D. The parties hereto recognize that certain quantities of gas in addition to those sold and purchased under the said several gas purchase contracts will be required by Gas Company from time to time for the expansion of the said project; and that each of the said gas purchase contracts and all other contracts for the sale and purchase of gas hereafter entered into by Gas Company together constitute the present and prospective supply of gas for the said project; and

E. The anticipated gas supply that may become available to Gas Company through the exercise of this option has been given consideration in locating the pipeline facilities of said project; and

F. For the reasons aforesaid Gas Company desires to have the right to purchase any gas available for sale by Producers within the said area and within economic reach of the said project, and Producers are willing to give Gas Company the right to purchase the same subject to the terms of this agreement.

NOW, THEREFORE, in consideration of the premises the parties agree as follows:

1. Producers hereby give and grant to Gas Company the exclusive right and option, irrevocable within the time herein limited for acceptance, to purchase from Producers subject to the terms and conditions

of this agreement, all the gas, except gas produced in association with oil, which Producers shall, from time to time, have available for sale from reserves in the said area in quantities which in Producers' opinion warrant development for the purpose of producing and selling gas.

2. Upon any such gas becoming available as aforesaid in the said area, Producers shall forthwith give Gas Company notice thereof (hereinafter called "Producers' notice"). Producers shall attach to Producers' notice a plat showing the location of the discovery well or wells and the lands owned or controlled by Producers in the vicinity thereof which in Producers' opinion contain gas in commercial quantities (hereinafter called "the said lands"). Producers' notice shall contain Producers' best estimate of the proven and probable reserves underlying the said lands and a statement as to whether Producers tender such gas for delivery to Gas Company at the wellhead, the outlet of separator equipment, or the tailgate of a processing plant to be constructed by Producers or their agent on the said lands.

3. Within one (1) year from the date of receipt of Producers' notice, Gas Company shall give Producers notice whether or not it elects to purchase the gas designated therein. If Gas Company does not elect to purchase such gas, the said lands shall no longer be subject to this agreement.

4. If Gas Company elects to purchase such gas, it shall specify in said notice the minimum reserves, not to exceed Producer's said estimate, necessary to justify a pipeline extension to the said lands and the

date when it will commence taking the gas (which date shall not be later than three (3) years after the date of Gas Company's notice).

5. Upon receipt of notice from Gas Company of its election to purchase such gas, Producers shall forthwith commence and diligently conduct and carry to completion such development as is necessary in their opinion to obtain proven reserves sufficient to meet the minimum reserves requirement specified by Gas Company in its notice. In the event Producers are unable to prove up such minimum reserves, they shall promptly notify Gas Company thereof and specify the amount of reserves they have or will be able to prove up. Gas Company shall thereupon notify Producers whether it desires to withdraw its election to purchase such gas or to purchase such gas on the basis of the reduced reserves figure. If Gas Company withdraws its election to purchase such gas, the said lands shall no longer be subject to this agreement.

6. After the reserves have been proven, as above provided, the parties shall promptly enter into a Gas Purchase Contract in the form, mutatis mutandis, of Schedule "B" for the type of delivery designated by Producers in Producers' notice, except that if prior to that date Gas Company has entered into any contract with any producer for the purchase of gas in the Province of Alberta under terms (including delivery conditions and price) which are considered by Producers to be more favourable to that producer than those fixed in Schedule "B" for the type of delivery so designated by Producers, Schedule "B" shall be revised so as to substitute as appropriate the form and substance of such other contract. It is understood that in making such substitution all

properly applicable terms of such other contract will be incorporated rather than only those which Producers may consider would be more favourable to them. If the parties are unable to agree upon the appropriate dates, quantities and field description to insert in the blanks in the said Schedule "B", the matter or matters in issue shall be referred to and determined by arbitration conducted in accordance with the provisions of Article XV of said Schedule "B".

7. (a) Producers shall not sell any gas from the said area, except gas produced in association with oil, other than to Gas Company unless Producers shall have first complied with this agreement. In the event Producers have available for sale gas produced in association with oil from the said area, Producers shall, before offering such gas for sale to any third party, endeavour in good faith to arrange with Gas Company for the sale to it of such gas on terms acceptable to both parties.

(b) Nothing herein contained, except paragraph 5, shall be construed as requiring Producers to drill a well or wells within the said area.

8. Any notice to be given under the terms of this agreement shall be in writing directed to the party to whom given at such party's address as follows:

Shell Oil Company
1027 - 8th Avenue West
Calgary, Alberta

Canadian Shell Explorations Limited
600 University Avenue
Toronto, Ontario

Producers

Alberta and Southern Gas Co. Ltd.
140 - 6th Avenue S. W.
Calgary, Alberta

Gas Company

Either party may change its address by giving written notice to the other parties.

9. (a) Subject to what is hereinafter provided, this agreement shall be effective as of the date hereof and shall continue for a period of ten (10) years or until Gas Company has been offered gas reserves within economic reach of the said project (including any such reserves Gas Company does not elect to purchase) of at least five (5) trillion cubic feet under the provisions hereof, whichever shall first occur. The reserves contained in the Sarcee, Crossfield, Waterton and Homeglen-Rimbey Fields which Producers prior to the date hereof have agreed to sell to Gas Company shall contribute to said reserves of five (5) trillion cubic feet, but the gas in said Fields shall not otherwise be subject to the terms and conditions of this agreement.

(b) In the event all permits, certificates, and other authorizations required under applicable laws and regulations for the construction and operation of the said pipeline project have not been obtained on or before December 31, 1960, Producers may at any time thereafter give Gas Company sixty (60) days' written notice of their intention to terminate this agreement and, unless prior to the expiration of the said sixty (60) day period all of the said permits, certificates, and other authorizations shall have been obtained,

this agreement shall terminate at the end of the said sixty (60) day period.

10. The Okotoks and Jumping Pound Fields, as such fields are indicated on Schedule "A", are expressly excluded from the terms and conditions of this agreement.

11. Each party shall do and perform all such acts and things, execute and deliver all such instruments, documents and writings, and give all such assurances as may be necessary to give full effect to the provisions and intent of this agreement.

12. The word "reserves" shall have the meaning given for such word in Schedule "B".

13. This agreement shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

IN WITNESS WHEREOF this agreement has been properly executed by the parties hereto as of the day and year first above written.

SHELL OIL COMPANY

By: Paul L. Kartzke
Vice-President

and by: _____
(Seal)

CANADIAN SHELL EXPLORATIONS LIMITED
(Seal)

By: V. F. Grafstrom
Vice-President

and by: T. B. Brown
Assistant Secretary

ALBERTA AND SOUTHERN GAS CO. LTD.

By: J. S. Moulton
Vice-President

and by: R. L. Winton
Secretary



FIELD GAS PURCHASE CONTRACT

Between:

SHELL OIL COMPANY AND CANADIAN SHELL EXPLORATIONS LIMITED
Seller

-and-

ALBERTA AND SOUTHERN GAS CO. LTD.
Buyer

SCHEDULE "B"

I N D E X

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THIS GAS PURCHASE CONTRACT made the day of

_____ 1957,

BETWEEN

SHELL OIL COMPANY, a body corporate,
having an office and carrying on business
in the City of Calgary, in the Province of
Alberta, and

CANADIAN SHELL EXPLORATIONS
LIMITED, a body corporate, having an
office and carrying on business in the City
of Toronto, in the Province of Ontario,

(hereinafter jointly referred to as "Seller")

OF THE FIRST PART

-and-

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,

(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric
Company, a California corporation, hereinafter referred to as "P. G. and
E.";

AND WHEREAS P. G. and E. and certain subsidiaries (includ-
ing Buyer) and/or affiliates of P. G. and E., hereinafter referred to as

"the participants", propose to construct and operate a natural gas pipeline project, hereinafter called "The Project", having for its principal purpose the transportation of gas purchased by Buyer to the existing integrated transmission and distribution system of P. G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the _____ Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A. M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A. M. on the first day of a calendar month and ending at 8:00 o'clock A. M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve

consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°)

Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof, less the quantities of gas reserved to Seller hereunder.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to Buyer, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of ob-

jection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to Buyer from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all other necessary authorizations, in form acceptable to Buyer, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

The provisions of this Section 1 shall apply mutatis mutandis to the permits, certificates, and other authorizations required to be obtained by Seller under applicable laws and regulations.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June

1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when, whether and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's

ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce

any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than _____ Mcf per day for a twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially _____ Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas

requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. Seller agrees that it will use its best efforts to increase its available reserves. In the event that by 1 July 1959 said reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%)

of the initial Daily Contract Quantity per day for a twenty-five (25) year period, then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%), effective 1 July 1963.

3. Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity not later than the date The Project is ready for operation, and one hundred and twenty percent (120%) of the Daily Contract Quantity, as it may exist from time to time, thereafter; provided, however, that Seller shall not be required to carry its overall development program beyond what the Seller considers to be commercially attractive.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the

next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, Buyer shall have the right to

reduce the Daily Contract Quantity to a volume equal to eighty three and one third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part outlines the various methods and tools used to collect and analyze data. It mentions the use of surveys, interviews, and focus groups to gather information from stakeholders. Additionally, it discusses the application of statistical analysis to interpret the collected data.

3. The third part describes the process of identifying key performance indicators (KPIs) and how they are used to measure the organization's progress towards its goals. It highlights the need for regular monitoring and reporting on these indicators to facilitate timely decision-making.

4. The fourth part addresses the challenges faced in implementing a robust data management system. It notes that issues such as data quality, security, and integration with existing systems are common concerns. The document suggests several strategies to overcome these challenges, including the implementation of strict data governance policies and the use of advanced technologies.

5. The fifth part concludes by summarizing the key findings and recommendations. It reiterates the importance of a data-driven approach and encourages the organization to continue refining its processes to improve efficiency and effectiveness.

square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in

addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer's only remedy shall be the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at _____ pounds per square inch absolute.
2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.
3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by

Buyer, provided that Buyer shall take additional samples ~~when~~ requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said field at the point of delivery hereunder, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas

delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except

The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting. The second part outlines the various methods used to collect and analyze data, including surveys, interviews, and focus groups. The third part presents the results of the study, showing a clear trend towards increased participation in community programs. The final part concludes with recommendations for future research and implementation strategies.

The data collected from the surveys and interviews indicates a significant increase in the number of participants in the community programs over the past year. This suggests that the programs are effective in attracting and retaining members. The focus group discussions provided valuable insights into the challenges faced by participants and the factors that influence their decision to join and stay in the programs. These findings are crucial for developing targeted interventions and support systems to enhance the effectiveness of the programs.

Based on the results of the study, several key recommendations are proposed. First, it is essential to continue monitoring and evaluating the programs to ensure they remain relevant and effective. Second, efforts should be made to address the identified challenges and barriers to participation. Third, collaboration with local organizations and stakeholders is vital for the successful implementation and sustainability of the programs. Finally, ongoing communication and engagement with the community members are necessary to foster a sense of ownership and commitment.

that Seller shall bear the expense of tests made at its request if the in-accuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty three and one-third percent (83-1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure,

then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection (i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X

1900		1901	
Jan	1	Jan	1
Feb	1	Feb	1
Mar	1	Mar	1
Apr	1	Apr	1
May	1	May	1
Jun	1	Jun	1
Jul	1	Jul	1
Aug	1	Aug	1
Sep	1	Sep	1
Oct	1	Oct	1
Nov	1	Nov	1
Dec	1	Dec	1

The following table shows the number of persons who have been
 admitted to the hospital during the year 1900. The number of
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 during the year 1904 is also shown. The number of persons who have
 been admitted to the hospital during the year 1905 is also shown.

shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075	1.075
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of less than 975 to 950 inclusive	.950

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions herein-after set forth, pay to Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within

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The seventh is the fact that the
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The eighth is the fact that the
economy is not in a state of equilibrium.
The ninth is the fact that the
economy is not in a state of equilibrium.

ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half ($1/2$) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf

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payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than one Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110)

United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder dur-

ing such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renegotiation)

tiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to all other remedies available to it by law, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller with-

in such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil

disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, or by any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provisions shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

The first part of the paper discusses the importance of the study and the objectives of the research. It also outlines the methodology used in the study and the results obtained. The second part of the paper discusses the implications of the study and the conclusions drawn from the research. It also outlines the limitations of the study and the areas for further research. The third part of the paper discusses the significance of the study and the contributions it makes to the field. It also outlines the practical applications of the study and the policy implications of the research. The fourth part of the paper discusses the future of the study and the potential for further research. It also outlines the challenges facing the study and the opportunities for future research. The fifth part of the paper discusses the overall findings of the study and the conclusions drawn from the research. It also outlines the implications of the study and the contributions it makes to the field. The sixth part of the paper discusses the significance of the study and the contributions it makes to the field. It also outlines the practical applications of the study and the policy implications of the research. The seventh part of the paper discusses the future of the study and the potential for further research. It also outlines the challenges facing the study and the opportunities for future research. The eighth part of the paper discusses the overall findings of the study and the conclusions drawn from the research. It also outlines the implications of the study and the contributions it makes to the field. The ninth part of the paper discusses the significance of the study and the contributions it makes to the field. It also outlines the practical applications of the study and the policy implications of the research. The tenth part of the paper discusses the future of the study and the potential for further research. It also outlines the challenges facing the study and the opportunities for future research.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to failure of title through inadvertence or causes beyond the reasonable control of Seller and to the applicable laws, rules and regulations, Seller's leases are, in Seller's opinion, in full force and effect and capable of being maintained and Seller agrees it will not, except through inadvertence, sell, quit claim or otherwise dispose of any of said leases for as long as in Seller's opinion gas can be produced therefrom in paying quantities if the result of so doing will be to reduce Seller's ability to fully perform its undertakings hereunder, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.

The second part of the report deals with the economic situation of the country.

The third part of the report deals with the social situation of the country.

The fourth part of the report deals with the political situation of the country.

The fifth part of the report deals with the cultural situation of the country.

The sixth part of the report deals with the environmental situation of the country.

The seventh part of the report deals with the international situation of the country.

The eighth part of the report deals with the future of the country.

The ninth part of the report deals with the conclusion of the study.

The tenth part of the report deals with the bibliography of the study.

to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1862. The letter is signed by Abraham Lincoln and is addressed to the Senate and House of Representatives. The letter is a response to a resolution passed by the Congress on December 15, 1861, which authorized the President to suspend the writ of *habeas corpus* in certain cases. The President explains the reasons for his decision and the steps he has taken to implement the resolution.

2. The second part of the document is a report from the Secretary of War, dated January 3, 1862. The report is signed by Edwin M. Stanton and is addressed to the President. The report provides a detailed account of the military operations in the Western Theater of the Civil War, including the movements of the Union and Confederate armies, the results of the battles, and the state of the troops.

3. The third part of the document is a report from the Secretary of the Treasury, dated January 3, 1862. The report is signed by Charles A. Smith and is addressed to the President. The report provides a detailed account of the financial operations of the government, including the receipts and expenditures, the state of the public debt, and the measures taken to manage the finances.

4. The fourth part of the document is a report from the Secretary of the Interior, dated January 3, 1862. The report is signed by Caleb B. Smith and is addressed to the President. The report provides a detailed account of the land and mineral resources of the United States, including the surveys, the discoveries, and the management of the public lands.

5. The fifth part of the document is a report from the Secretary of the Navy, dated January 3, 1862. The report is signed by Gideon Welles and is addressed to the President. The report provides a detailed account of the naval operations of the United States, including the movements of the fleet, the results of the engagements, and the state of the ships.

6. The sixth part of the document is a report from the Secretary of the War, dated January 3, 1862. The report is signed by Edwin M. Stanton and is addressed to the President. The report provides a detailed account of the military operations in the Eastern Theater of the Civil War, including the movements of the Union and Confederate armies, the results of the battles, and the state of the troops.

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deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller

shall proceed with such additional development as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within six (6) months from and after such determination to complete such additional development as may be necessary to comply with Section 3 of Article IV, Buyer shall have the right, in addition to all other remedies available to it by law, to reduce the Daily Contract Quantity to eighty three and one-third percent ($83\frac{1}{3}\%$) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make every reasonable effort to make available and dedicate to this Contract such additional uncommitted quantities of gas as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess

reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Notwithstanding anything to the contrary contained in this Contract, Buyer's sole remedy for any insufficiency in the reserves required for the performance of this Contract shall be the reduction of the Daily Contract Quantity.

5. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to

furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party has executed this Contract as Seller and more than one of such parties is involved in the same controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The first part of the paper is devoted to a general discussion of the problem of the origin of life. It is shown that the problem is not only a scientific one, but also a philosophical one. The scientific aspect of the problem is concerned with the question of how life arose from non-life. The philosophical aspect is concerned with the question of whether life is a necessary part of the universe or whether it is a mere accident.

The second part of the paper is devoted to a discussion of the various theories of the origin of life. It is shown that there are three main theories: the theory of spontaneous generation, the theory of panspermia, and the theory of abiogenesis. The theory of spontaneous generation is the oldest and simplest, but it is also the least plausible. The theory of panspermia is the most plausible, but it is also the most difficult to test. The theory of abiogenesis is the most recent and most complex, but it is also the most promising.

The third part of the paper is devoted to a discussion of the evidence for the origin of life. It is shown that there is a great deal of evidence in favor of the theory of abiogenesis. This evidence includes the discovery of the first fossilized micro-organisms, the discovery of the first simple organic molecules, and the discovery of the first complex organic molecules.

The fourth part of the paper is devoted to a discussion of the implications of the origin of life. It is shown that the origin of life has important implications for our understanding of the universe and for our understanding of ourselves. It is also shown that the origin of life has important implications for the search for life on other planets.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.
2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.
3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd.
140-6th Avenue S. W.
Calgary, Alberta

SELLER: Shell Oil Company
1027-8th Avenue West
Calgary, Alberta

Canadian Shell Explorations Limited
600 University Avenue
Toronto, Ontario.

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
JANUARY 1950
JAMES H. HARRIS
JAMES H. HARRIS
JAMES H. HARRIS

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DEPARTMENT OF CHEMISTRY
JANUARY 1950
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JAMES H. HARRIS
JAMES H. HARRIS

reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

SHELL OIL COMPANY

By _____

By _____

CANADIAN SHELL EXPLORATIONS LIMITED

By _____

By _____

"SELLER"

ALBERTA AND SOUTHERN GAS CO. LTD.

By _____

By _____

"BUYER"

1. The first part of the document is a letter from the President of the United States to the Congress.

2. The second part is a report from the Secretary of the Department of the Interior.

3. The third part is a report from the Secretary of the Department of the Navy.

4. The fourth part is a report from the Secretary of the Department of the Army.

5. The fifth part is a report from the Secretary of the Department of the Treasury.

6. The sixth part is a report from the Secretary of the Department of the State.

7. The seventh part is a report from the Secretary of the Department of the War.

8. The eighth part is a report from the Secretary of the Department of the Marine Corps.

9. The ninth part is a report from the Secretary of the Department of the Coast and Geodetic Survey.

10. The tenth part is a report from the Secretary of the Department of the Fish and Game.

11. The eleventh part is a report from the Secretary of the Department of the Mineral Lands.

12. The twelfth part is a report from the Secretary of the Department of the Public Lands.

13. The thirteenth part is a report from the Secretary of the Department of the Indian Affairs.

14. The fourteenth part is a report from the Secretary of the Department of the Education.

15. The fifteenth part is a report from the Secretary of the Department of the Agriculture.

16. The sixteenth part is a report from the Secretary of the Department of the Commerce.

17. The seventeenth part is a report from the Secretary of the Department of the Labor.

18. The eighteenth part is a report from the Secretary of the Department of the Justice.

19. The nineteenth part is a report from the Secretary of the Department of the Health.

20. The twentieth part is a report from the Secretary of the Department of the Public Health.

21. The twenty-first part is a report from the Secretary of the Department of the Public Safety.

22. The twenty-second part is a report from the Secretary of the Department of the Public Works.

23. The twenty-third part is a report from the Secretary of the Department of the Public Buildings.

24. The twenty-fourth part is a report from the Secretary of the Department of the Public Utilities.

25. The twenty-fifth part is a report from the Secretary of the Department of the Public Transportation.

FIELD GAS PURCHASE CONTRACT

Between:

SHELL OIL COMPANY AND CANADIAN SHELL EXPLORATIONS LIMITED

Seller

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

Buyer

SCHEDULE "B"

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o00o

THIS GAS PURCHASE CONTRACT made the

day of _____

1957,

BETWEEN

SHELL OIL COMPANY, a body corporate,
having an office and carrying on
business in the City of Calgary, in
the Province of Alberta, and

CANADIAN SHELL EXPLORATIONS LIMITED,
a body corporate, having an office
and carrying on business in the City
of Toronto, in the Province of Ontario,

(hereinafter jointly referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office
and carrying on business in the City
of Calgary, in the Province of Alberta,

(hereinafter referred to as "Buyer")

OF THE SECOND PART

W I T N E S S E T H T H A T :

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Com-
pany, a California corporation, hereinafter referred to as "P. G. and E.";

AND WHEREAS P. G. and E. and certain subsidiaries (including
Buyer) and/or affiliates of P. G. and E., hereinafter referred to as "the
participants", propose to construct and operate a natural gas pipeline
project, hereinafter called "The Project", having for its principal purpose
the transportation of gas purchased by Buyer to the existing integrated
transmission and distribution system of P. G. and E. in the State of
California;

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
1155 EAST 58TH STREET
CHICAGO, ILLINOIS 60637

TO THE HONORABLE
THE SENATE OF THE UNIVERSITY OF CHICAGO
FROM
THE DEPARTMENT OF CHEMISTRY

RECOMMENDATION OF THE DEPARTMENT OF CHEMISTRY

1950

THE DEPARTMENT OF CHEMISTRY
RECOMMENDS THAT THE
HONORABLE SENATE OF THE UNIVERSITY OF CHICAGO
APPROVE THE RECOMMENDATION OF THE
DEPARTMENT OF CHEMISTRY
TO THE HONORABLE SENATE OF THE UNIVERSITY OF CHICAGO

1950

1950

THE DEPARTMENT OF CHEMISTRY
RECOMMENDS THAT THE
HONORABLE SENATE OF THE UNIVERSITY OF CHICAGO
APPROVE THE RECOMMENDATION OF THE
DEPARTMENT OF CHEMISTRY
TO THE HONORABLE SENATE OF THE UNIVERSITY OF CHICAGO
1950

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the _____ Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve (12) consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells in its natural state or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents, as the context may require.

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the _____ Field, as same is outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

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(c) The term "contract year" shall mean a period of twelve (12) consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either that component part of the natural gas obtained from the wells in its natural state which remains after separation of liquids therefrom by mechanical means or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "pipeline gas" shall mean that component part of the gas delivered at the point of delivery which remains after the removal of such liquid hydrocarbons as Buyer or its nominee may remove from the gas and such carbon dioxide, sulphur compounds, water vapor and such other substances as Buyer or its nominee may remove in its treating and dehydration facilities in order to make such remaining gas of the quality required for transmission in the main pipeline of The Project and any gas used by Buyer or its nominee as fuel required in such removal processes, not to exceed however, such quantity of fuel as would reasonably be required therefor as determined by good engineering practices.

(f) The term "Buyer's facilities" shall mean the facilities constituting The Project, including such facilities as are required for Buyer or its nominee to receive, gather and process the gas delivered by Seller and to transport the quantities of pipeline gas obtained from the gas which Buyer undertakes to buy under this Contract.

(g) The term "Seller's facilities" shall mean such facilities as are required for Seller to deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(h) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(i) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(j) The word "reserves" where used as a noun herein shall mean the quantities of gas which will be available to Seller from the total

quantities of gas economically recoverable from Seller's lands, less the quantities of gas reserved to Seller hereunder.

(k) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(l) The term "BTU" shall mean British Thermal Unit.

(m) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(n) The term "gallon" shall mean an imperial gallon.

(o) The term "GPM" shall mean gallons per Mcf.

(p) The term "LPG" shall mean liquefied petroleum gas consisting of propane and/or butane.

(q) The term "pentanes plus" shall mean pentanes and heavier hydrocarbons.

(r) The term "LPM" shall mean pounds per Mcf.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to Buyer, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days

after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary authorizations in form acceptable to Buyer from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all other necessary authorizations, in form acceptable to Buyer, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

The provisions of this Section 1 shall apply mutatis mutandis to the permits, certificates, and other authorizations required to be obtained by Seller under applicable laws and regulations.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project. Buyer or its nominee will install facilities, sometimes hereinafter referred to as a "plant" or "plants", for the removal of liquid hydrocarbons and/or hydrogen sulphide from the gas delivered hereunder and/or for the manufacture of by-products therefrom if Buyer considers

it is commercially attractive to do so or necessary to make such gas of the quality required for transmission in the main pipeline of The Project; provided, however, that such processing shall not reduce the gross heating value of the pipeline gas below one thousand (1000) BTUs per cubic foot unless it is necessary to do so to meet said quality and/or a hydrocarbon dew-point of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge. Seller agrees that immediately upon said authorizations being obtained it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering to Buyer the quantity of gas required hereunder by 30 June 1961, or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when, whether and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be

allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of compressor stations, and other facilities for effecting delivery of gas to Buyer.

3. In the event Buyer or its nominee constructs a plant or plants for the recovery of liquid hydrocarbons and/or hydrogen sulphide from the gas delivered hereunder, Seller reserves the right to take in kind Seller's share of the by-products recovered and/or manufactured from such gas, as determined under the provisions of Article V hereof; provided, however, that Seller must exercise such right, with respect to each contract year during the term of this Contract, upon sixty (60) days prior written notice to Buyer. If Seller exercises such right in accordance with the foregoing, Seller agrees to remove its share of by-products from the said plant or plants at a rate which will enable the said plant or plants to operate continuously with a maximum of five (5) days storage of such by-

products, and Buyer or its nominee shall not be obligated to provide more than the said five (5) days storage.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves

are equal to a volume of not less than _____ (A) _____ Mcf per day for a twenty-five (25) year period and that a volume of _____ (B) _____ Mcf per day of pipeline gas will be obtainable from said reserves. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially _____ (A) _____ Mcf per day of gas. Subject to the terms and conditions of this Contract, Seller agrees to deliver gas to Buyer at the points of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use its best efforts to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however,

that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

In the event that the quantity of pipeline gas obtainable from the initial Daily Contract Quantity is greater than (B) Mcf then Buyer may by written notice to Seller reduce the initial Daily Contract Quantity hereunder to that volume of gas from which (B) Mcf of pipeline gas is obtainable.

2. Seller agrees that it will use its best efforts to increase its available reserves. In the event that by 1 July 1959 said reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, then, subject to the obtaining of all necessary permits, certificates and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%) effective 1 July 1963.

3. Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity not later than the date The Project is ready for operation, and one hundred and twenty percent (120%) of the Daily Contract Quantity, as it may exist from time to time, thereafter; provided, however, that Seller shall not be required to carry its overall development program beyond what the Seller considers to be commercially attractive.

4. If Buyer fails to take an average daily quantity of gas equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its

ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, Buyer shall have the right to reduce the Daily Contract Quantity to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. Specification for Gas: The gas delivered hereunder shall be of the quality which exists at the point or points at which delivery is made. Such gas shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Analyses of Gas: Buyer shall, in the presence of a representative

of Seller, from time to time and as frequently as is found expedient in practice, but not more often than once a year unless Buyer shall elect so to do, conduct tests and measurements to determine the average analysis of the gas delivered at each delivery point and agree with Seller thereon. The tests and measurements shall be carried out in a manner mutually acceptable to Seller and Buyer using the low temperature fractional distillation method, or some other approved method acceptable to both Seller and Buyer to determine the gas volume percentage composition of the gas from which the following theoretical values shall be computed:

- (i) The GPM of LPG;
- (ii) The GPM of pentanes plus;
- (iii) The LPM of sulphur;
- (iv) The content of any other substance being removed and saved;
- (v) The "theoretical percentage of shrinkage" in the gas, such percentage being the sum of the gas volume percentage composition of the gas in LPG, pentanes plus, hydrogen sulphide, and any other substance being removed from the gas.

3. Allocation of By-products: In the event Buyer or its nominee constructs a plant or plants for the recovery of liquid hydrocarbons and/or hydrogen sulphide from the gas delivered hereunder, the quantities of by-products recovered and/or manufactured from such gas shall be determined each month for each delivery point connected to such plant or plants. Said quantities shall be determined as follows:

- (i) The gallons of LPG shall be determined by multiplying the actual plant production in gallons of LPG during the month by a fraction, the numerator of which shall be the "theoretical gallons of LPG" contained in the

gas delivered from such delivery point and the denominator of which shall be the total "theoretical gallons of LPG" contained in all gas delivered to the plant by Seller and others. The "theoretical gallons of LPG" hereinbefore mentioned shall be the product of the volume of gas delivered from the delivery point during the month and the GPM of LPG for such delivery point determined in accordance with the procedure in Section 2 of this Article.

(ii) The gallons of liquid hydrocarbons other than LPG shall be determined by multiplying the actual plant production in gallons of liquid hydrocarbons other than LPG during the month by a fraction, the numerator of which shall be the "theoretical gallons of pentanes plus" contained in the gas delivered from such delivery point and the denominator of which shall be the total "theoretical gallons of pentanes plus" contained in all gas delivered to the plant by Seller and others. The "theoretical gallons of pentanes plus" hereinbefore mentioned shall be the product of the volume of gas delivered from the delivery point during the month and the GPM of pentanes plus for such delivery point determined in accordance with the procedure in Section 2 of this Article.

(iii) The pounds of sulphur shall be determined by multiplying the actual plant production in pounds of sulphur during the month by a fraction, the numerator of which shall be the "theoretical pounds of sulphur" contained in the gas delivered from such delivery point and the denominator of which shall be the total "theoretical pounds of sulphur" contained in all gas delivered to the plant by Seller and others. The "theoretical pounds of sulphur" hereinbefore mentioned shall be the product of the volume of gas delivered from the delivery point during the month

and the LPM of sulphur for such delivery point determined in accordance with the procedure in Section 2 of this Article.

(iv) The quantities of other substances, if any, recovered and/or manufactured from the gas delivered hereunder shall be allocated to each delivery point in a manner comparable with the provisions of Subsections (i), (ii) and (iii) of this Section 3.

4. Seller's Share of By-products: Seller's share of the by-products recovered from the gas delivered hereunder shall be determined each month for each delivery point as follows:

(i) In the event Seller exercises its right to take Seller's share of the by-products in kind as provided in Section 3 of Article III hereof, Seller's share of the by-products shall be determined by multiplying the quantity of each by-product at such delivery point determined under Section 3 of this Article by the "applicable percentage". Such "applicable percentage" shall be selected from the following table based on the theoretical value of the GPM of pentanes plus in the gas delivered at such delivery point during such month as computed under Section 2 of this Article:

<u>GPM of Pentanes Plus in Gas</u>	<u>Applicable Percentage</u>
Less than 0.25	0%
Equal to 0.25 but less than 0.50	37%
Equal to 0.50 but less than 0.75	38%
Equal to 0.75 but less than 1.00	39%
Equal to or more than 1.00	40%

(ii) In the event Seller does not elect to take Seller's share of the by-products in kind, Seller's share of the by-products shall be determined by multiplying the quantity of each by-product determined in accordance with Subsection (i) of this Section 4 by a fraction, the numerator of which shall be the total sales of such by-product during the month

and the denominator of which shall be the actual plant production of such by-product during such month.

Notwithstanding anything elsewhere contained in this Contract, if any gas delivered to Buyer hereunder which contains 0.25 GPM or more of pentanes plus is processed by Buyer, or any other person or corporation except the ultimate consumer, Seller shall be entitled to receive and Buyer shall be obliged to deliver or cause to be delivered to Seller either Seller's share of the by-products therefrom in kind or payment therefor in accordance with this Contract, unless such processing is performed independently after such gas has been processed so that it:

- (a) has a hydrocarbon dew-point of not more than fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge;
- (b) contains not more than ten (10) grains of hydrogen sulphide per one hundred (100) cubic feet;
- (c) contains not more than twenty (20) grains of total sulphur per one hundred (100) cubic feet; and
- (d) contains not more than two percent (2%) by volume of carbon dioxide.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and

at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at _____ pounds per square inch absolute.

2. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered at each delivery point and also the residue gas produced by any plant which Buyer or its nominee may construct for the purpose of treating or processing the gas delivered by Seller to Buyer hereunder, and the gas used as fuel therein, the following practices shall prevail:

(i) Metering: The gas shall be metered at each point of delivery, at the tailgate of any such plant and at the point or points where the fuel gas for such plant is taken by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made in the volume metered at each point of delivery and at the tailgate of any such plant for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization. The text outlines the various methods used to collect and analyze data, ensuring that the information is reliable and up-to-date. It also mentions the role of technology in streamlining these processes and reducing the risk of errors.

In the second section, the document addresses the challenges faced by the organization in implementing these practices. It highlights the need for continuous training and development of staff to ensure they are equipped with the necessary skills and knowledge. The text also discusses the importance of fostering a culture of openness and communication, where employees feel encouraged to report any issues or concerns.

The third part of the document provides a detailed overview of the current status of the organization's operations. It includes a summary of the key performance indicators (KPIs) and compares them against the targets set for the year. The text also mentions the progress made in various projects and initiatives, as well as the challenges encountered along the way.

In the final section, the document outlines the future plans and goals for the organization. It discusses the strategies being implemented to achieve these goals and the resources required to support them. The text also mentions the importance of regular monitoring and evaluation of the progress, ensuring that the organization remains on track and able to adapt to any changes in the environment.

as shall be agreed upon by Buyer and Seller, and the deviation factor determined from whichever of the following methods is appropriate:

(a) for residue gas from any such plant, the deviation factor shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller;

(b) for gas containing not more than five percent (5%) by volume of hydrogen sulphide, the pseudo-critical temperature and pressure shall be calculated and the deviation factor determined by the method described in Appendix A of Bulletin TS-461, published by the California Natural Gasoline Association in 1947; or

(c) for gas containing more than five percent (5%) by volume of hydrogen sulphide, a sample of the gas shall be taken periodically and the deviation factor determined experimentally by a laboratory acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller, or calculated from the quantitative analysis of such gas. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do.

The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity of gas, by reference to quantities

metered under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas metered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Pipeline Gas: The volume of pipeline gas attributable to each delivery point hereunder shall be determined for each month by reducing the volume of gas delivered from each such delivery point during such month by a volume determined by multiplying the total actual shrinkage in the gas delivered during such month (being the difference between the total volume of gas delivered from all delivery points connected to such plant during the month and the total actual volume of residue gas measured at the outlet of the plant which remains after deducting the quantity of gas used in plant operations during such month for the removal of any substance from such gas) by a fraction, the numerator of which shall be the "theoretical volume of shrinkage" in the gas delivered from such delivery point and the denominator of which shall be the total "theoretical volume of shrinkage" in the gas delivered to the plant by Seller and others. The "theoretical volume of shrinkage" hereinbefore mentioned shall be the product of the volume of gas delivered from the delivery point during the month and the "theoretical percentage of shrinkage" for such delivery point determined in accordance with the procedure in Section 2 of Article V.

3. Heating Value: Tests to determine the gross heating value of the pipeline gas obtained from the gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public

Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the residue gas being metered at the tailgate of any plant at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the pipeline gas attributable to the gas metered at each delivery point from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of pipeline gas shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 3.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at reasonable intervals and whenever requested by Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense,

except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINTS OF DELIVERY

1. The delivery pressure for the gas delivered hereunder shall be such pressure as is required by Buyer to enable Buyer or its nominee to deliver pipeline gas from the tailgate of any treating or processing plant installed hereunder at a pressure not to exceed nine hundred (900) pounds per square inch gauge; provided, however, that Seller shall not be required to deliver gas at any delivery point at a pressure in excess of twelve hundred (1200) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests

gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point or points of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at the wellhead of Seller's wells.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove the pipeline gas obtained from the gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) In addition to the receipt of, or payment for, Seller's share of the by-products recovered and/or manufactured from the gas delivered hereunder, as herein elsewhere provided, Seller shall receive from Buyer for the gas delivered hereunder or required to be paid for if tendered and not taken, the following prices per Mcf of pipeline gas obtained from the gas delivered and obtainable from the gas required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided:

gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point or points of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at the outlet of Seller's separator equipment.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove the pipeline gas obtained from the gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) In addition to the receipt of, or payment for, Seller's share of the by-products recovered and/or manufactured from the gas delivered hereunder, as herein elsewhere provided, Seller shall receive from Buyer for the gas delivered hereunder or required to be paid for if tendered and not taken, the following prices per Mcf of pipeline gas obtained from the gas delivered and obtainable from the gas required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided:

<u>Period</u>	<u>Price per Mcf of pipeline gas</u>
From the date of initial delivery through June 30, 1961	13.50¢
From July 1, 1961 through June 30, 1962	14.50¢
From July 1, 1962 through June 30, 1963	15.25¢
From July 1, 1963 through June 30, 1964	15.75¢
From July 1, 1964 through June 30, 1965	16.25¢
From July 1, 1965 through June 30, 1966	16.50¢
From July 1, 1966 through June 30, 1967	16.75¢
From July 1, 1967 through June 30, 1968	17.00¢
From July 1, 1968 through June 30, 1973	17.25¢
From July 1, 1973 through June 30, 1978	18.50¢
From July 1, 1978 through June 30, 1983	19.75¢
From July 1, 1983 and thereafter during the term hereof	21.00¢

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to Subsection (i) of this Section 1 for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth in Subsection (i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to pipeline gas obtained from the gas delivered hereunder for any month with a gross heating value per cubic foot of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000)

BTUs. If the gross heating value per cubic foot of pipeline gas obtained from the gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such pipeline gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For pipeline gas with a BTU content of more than 1025 to 1050 incl.	1.025
For pipeline gas with a BTU content of more than 1050 to 1075 incl.	1.050
For pipeline gas with a BTU content of more than 1075	1.075
For pipeline gas with a BTU content of less than 1000 to 975 incl.	.975
For pipeline gas with a BTU content of less than 975 to 950 incl.	.950

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the pipeline gas obtained from the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half (1/2) of such new or additional taxes as herein defined which Seller shall have so paid.

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4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of pipeline gas is changed, then the price per Mcf for pipeline gas pursuant to this Contract shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers delivering gas to Buyer or Buyer's nominee, from fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for pipeline gas for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for pipeline gas obtained from the gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller for pipeline gas under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such

other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for pipeline gas hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the price payable by Buyer to Seller for the total quantity of pipeline gas obtained from the gas delivered by Seller to the Buyer in such month shall be the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the price payable by Buyer to Seller for the total quantity of pipeline gas obtained from the gas delivered hereunder in such month, subject to the provisions of Subsection (v) of this Section 6, shall be the price in Canadian currency calculated as follows:

LET: Pc = price payable in Canadian currency during the month;

 C = the volume of gas sold out of The Project during
 such month to purchasers for use in Canada;

 US = the volume of gas sold out of The Project during
 such month to purchasers for use in the United
 States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN:

In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for the total quantity of pipeline gas obtained from the gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller for pipeline gas obtained from the gas delivered hereunder shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this

Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii) and (iv) (for the period pending renegotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

7. In the event Buyer or its nominee constructs a plant or plants for the removal of liquid hydrocarbons and/or hydrogen sulphide from the gas delivered hereunder and Seller has not elected to take in kind its share of the by-products recovered from such gas pursuant to Section 3 of Article III hereof, Buyer shall pay Seller each month for Seller's share of the LPG, liquid hydrocarbons other than LPG, sulphur and any other substance recovered and/or manufactured from such gas and sold, as determined under the provisions of Article V hereof, at the average price being received by Buyer or its nominee for each such by-product, F.O.B. its gas processing plant, during such month.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement showing the volumes of gas delivered at, and the pipeline gas attributable to, each delivery point during the month preceding,

and, when applicable, the allocation to each delivery point of Seller's share of LPG, liquid hydrocarbons other than LPG, sulphur and any other substance recovered and/or manufactured and sold, and the payment payable therefor according to the provisions of Section 7 of Article X. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to all other remedies available to it by law, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the volume of pipeline gas obtainable from the volume of gas tendered and not taken and the price in effect for pipeline gas on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of pipeline gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reason-

able legal means, or by any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party

shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to failure of title through inadvertence or causes beyond the reasonable control of Seller and to the applicable laws, rules and regulations, Seller's leases are, in Seller's opinion, in full force and effect and capable of being maintained and Seller agrees it will not, except through inadvertence, sell, quit claim or otherwise dispose of any of said leases for as long as in Seller's opinion gas can be produced therefrom in paying quantities if the result of so doing will be to reduce Seller's ability to fully perform its undertakings hereunder, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the

event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the payment due therefor up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists,

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical analysis performed.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend in the relationship between the variables studied.

4. The fourth part of the document discusses the implications of the findings. It highlights the potential applications of the research in various fields and the need for further investigation.

5. The fifth part of the document provides a conclusion and a summary of the key points. It reiterates the importance of the study and the need for continued research in this area.

6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources used in the research and provides a comprehensive overview of the literature in the field.

7. The seventh part of the document contains a list of appendices and a glossary. It includes additional information that supports the main text and provides definitions for the key terms used.

8. The eighth part of the document is a list of figures and tables. It provides a detailed description of each figure and table and explains how they relate to the main text.

9. The ninth part of the document is a list of footnotes and a list of references. It includes additional information that is not included in the main text and provides a comprehensive overview of the literature in the field.

10. The tenth part of the document is a list of appendices and a glossary. It includes additional information that supports the main text and provides definitions for the key terms used.

or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability therefrom is insufficient, Seller shall proceed with such additional development as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within six (6) months from and after such determination to complete such additional development as may be necessary to comply with Section 3 of Article IV, Buyer shall have the right, in addition to all other remedies available to it by law, to reduce the Daily Contract Quantity to eighty-three and one-third percent ($83\frac{1}{3}\%$) of such deliverability.

(ii) In the event it is determined by the parties or the Consultant that reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make every reasonable effort to make available and dedicate to this Contract such additional uncommitted quantities of gas as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary

to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use their best endeavors to procure all permits, certificates, and other authorizations necessary to make the pipeline gas obtainable from such excess reserves available for the purpose of The Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Notwithstanding anything to the contrary contained in this Contract, Buyer's sole remedy for any insufficiency in the reserves required for the performance of this Contract shall be the reduction of the Daily Contract Quantity.

5. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party has executed this Contract as Seller and more than one of such parties is involved in the same controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment

of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd.
 140 - 6th Avenue S.W.
 Calgary, Alberta

SELLER: Shell Oil Company
1027 - 8th Avenue West
Calgary, Alberta

Canadian Shell Explorations Limited
600 University Avenue
Toronto, Ontario

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to

be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

SHELL OIL COMPANY

By _____

By _____

CANADIAN SHELL EXPLORATIONS LIMITED

By _____

By _____

"SELLER"

ALBERTA AND SOUTHERN GAS CO. LTD.

By _____

By _____

"BUYER"



THE CALIFORNIA STANDARD COMPANY

G. L. KNOX
PRESIDENT

October 15, 1957.

CALGARY, ALBERTA

Alberta and Southern Gas Co. Ltd.,
Natural Gas Building,
140 Sixth Avenue S.W.,
CALGARY, Alberta.

Dear Sirs:

This letter will confirm the agreement between The California Standard Company (hereinafter called "Seller") and Alberta and Southern Gas Co. Ltd. (hereinafter called "Buyer"), as follows:

1. Seller hereby agrees to and with Buyer to attempt to develop on its own behalf and in co-operation with others reserves of natural gas in the lands outlined in red in the map set out as Schedule "A" hereto (hereinafter called "the said lands") which will sustain the sale by Seller to Buyer of One Hundred Million (100,000,000) cubic feet of gas per day for a period of not less than twenty (20) years. This amount shall be exclusive of gas from the Dick Lake field and the Pembina field.
2. Buyer agrees to purchase gas from time to time produced from the said lands by Seller until such time as the total sales by Seller to Buyer from the said lands aggregate One Hundred Million (100,000,000) cubic feet per day.
3. (a) Whether or not a reserve of gas discovered by Seller either by itself or in conjunction with partners on the said lands is economic for Seller to develop shall be in the sole discretion of Seller and shall not be subject to arbitration.

(b) In the event that Seller discovers additional gas reserves on the said lands which are in the opinion of Seller economic for Seller to develop and which have not:
 - (i) been committed prior to the date of this agreement to Buyer or a third party; or
 - (ii) been released from the terms and provisions hereof by agreement between Seller and Buyer, or pursuant to the provisions hereof,

Seller shall give written notice of such discovery to Buyer. Buyer shall promptly thereafter use diligent efforts to procure all permits, certificates and other authorizations

required by applicable laws and regulations to enable it to take the gas from such reserves. If the procuring of all necessary permits, certificates and other authorizations by Buyer is completed during the period from May 1st to October 31st in any year, then Buyer shall use its best efforts to complete the facilities necessary to take delivery of such gas by the first day of November next following, and if such efforts are successful, then Buyer shall be obliged to take or pay for such gas on said date, or whenever Buyer commences to take gas from the Province of Alberta, whichever is the later date; and if such efforts are not successful Buyer shall be obliged to commence to take or pay for such gas one (1) year from the date upon which the procuring of such governmental authorizations is completed, or whenever Buyer commences to take gas from the Province of Alberta, whichever is the later date.

If the procuring of all necessary permits, certificates and other authorizations by Buyer is completed during the period from November 1st to April 30th, then Buyer shall be obliged to commence to take or pay for such gas on the first day of November next following, or whenever Buyer commences to take gas from the Province of Alberta, whichever is the later date. In any event, should Buyer not be able to obtain all such necessary governmental authorizations within one (1) year from receipt of the aforementioned notice from Seller, Seller may, if it should so desire, sell such gas free and clear of the provisions of this agreement.

Should Buyer dispute that such gas reserves can be delivered economically to Buyer, the matter may be referred to arbitration as hereinafter provided, but Buyer's inability to find a market for the gas shall not be deemed to be a reason for delivery being uneconomical.

4. This letter of agreement shall terminate five (5) years from the date hereof and shall become operative only if Seller and Buyer enter into an agreement (hereinafter called "the said agreement") for the sale by Seller to Buyer of gas from lands in which Seller has an interest in the Dick Lake field.
5. Each sale concluded hereunder between Seller and Buyer until such sales aggregate One Hundred Million (100,000,000) cubic feet of gas per day, shall be upon the same terms and conditions (except as to date of commencement, quantity and lands involved) as the said agreement, PROVIDED, that the price payable for gas other

than oil field gas and oil field gas respectively shall be no lower than is being paid or contracted for by Buyer elsewhere in Alberta at the time for gas other than oil field gas and oil field gas, as the case may be, and the arbitration provisions of the said agreement shall be deemed to apply mutatis mutandis to any matter provided to be arbitrated hereunder.

6. After Buyer shall have agreed to purchase One Hundred Million (100,000,000) cubic feet of gas hereunder, Seller agrees during the balance of the term of this agreement to offer to Buyer an opportunity to purchase an additional quantity up to a maximum of Fifty Million (50,000,000) cubic feet of gas per day upon the terms and conditions to be negotiated between Buyer and Seller, PROVIDED, HOWEVER, that the price payable for such additional quantity of gas shall in no event be lower than the price stipulated in the said agreement, nor lower than is being paid or contracted for by any Buyer elsewhere in Alberta at the time. Upon making discoveries of additional gas reserves on the said lands which have not already been contracted in respect of the said One Hundred Million (100,000,000) cubic feet, Seller shall give to Buyer written notice of such discovery and Buyer shall be entitled to elect within a period of thirty (30) days after receipt of such notice to purchase such gas. In the event Buyer elects to purchase such gas it shall promptly thereafter use diligent efforts to procure all permits, certificates and other authorizations required by applicable laws and regulations to enable it to take the gas from such additional reserves. If the procuring of all necessary permits, certificates and other authorizations by Buyer is completed during the period from May 1st to October 31st in any year, then Buyer shall use its best efforts to complete the facilities necessary to take delivery of such gas by the first day of November next following, and if such efforts are successful, then Buyer shall be obliged to take or pay for such gas on said date, or whenever Buyer commences to take gas from the Province of Alberta, whichever is the later date; and if such efforts are not successful Buyer shall be obliged to commence to take or pay for such gas one (1) year from the date upon which the procuring of such governmental authorizations is completed, or whenever Buyer commences to take gas from the Province of Alberta, whichever is the later date. If the procuring of all necessary permits, certificates and other authorizations by Buyer is completed during the period from November 1st to April 30th, then Buyer shall be obliged to commence to take or pay for such gas on the first day of November next following, or whenever Buyer commences to take gas from the Province of Alberta, whichever is the later date. In any event, should Buyer not be able to obtain all such necessary governmental

CHAPTER I

The first part of the history of the world is the history of the creation of the world, and the history of the first ages of the world. The second part of the history of the world is the history of the second ages of the world, and the history of the third ages of the world. The third part of the history of the world is the history of the fourth ages of the world, and the history of the fifth ages of the world.

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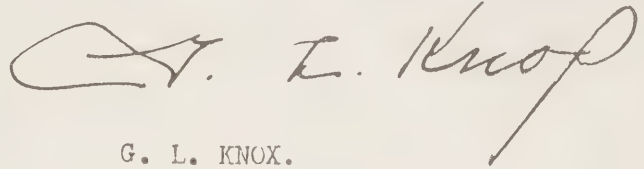
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Alberta and Southern Gas Co. Ltd.,

- 4 -

authorizations within one (1) year from receipt of the afore-mentioned notice from Seller, Seller may, if it should so desire, sell such gas free and clear of the provisions of this agreement.

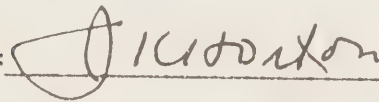
Yours very truly,



G. L. KNOX.

UNDERSTOOD, ACCEPTED and AGREED TO
this 15 day of October,
A.D. 1957.

ALBERTA AND SOUTHERN GAS CO. LTD.

Per: 

Per: _____



5546006 R.

OPTION AGREEMENT FOR GAS PURCHASE

WHITCOURT AREA

Between

HUDSON'S BAY OIL AND GAS COMPANY LIMITED
PAN AMERICAN PETROLEUM CORPORATION
CANADIAN FINA OIL LIMITED

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

THIS AGREEMENT made this 25th day of November, 1957

BETWEEN:

HUDSON'S BAY OIL AND GAS COMPANY LIMITED,
a body corporate, having an office and carrying on
business in the City of Calgary, in the Province of
Alberta,

PAN AMERICAN PETROLEUM CORPORATION,
a body corporate, having an office and carrying on
business in the City of Calgary, in the Province of
Alberta,

CANADIAN FINA OIL LIMITED,
a body corporate, having an office and carrying on
business in the City of Calgary, in the Province of
Alberta,
(hereinafter jointly called "Producers")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and carrying on
business in the City of Calgary, in the Province of
Alberta,
(hereinafter called "Gas Company")

OF THE SECOND PART

WHEREAS:

A. Producers now own or control petroleum and/or natural gas
rights or interests and may hereafter acquire similar rights or interests in
that area of land (hereinafter called "the said area") outlined by a heavy black
line on the map attached hereto and marked Schedule "A" and by this reference
made a part hereof, and Producers expect to develop and have gas available
for sale therefrom; and

B. Gas Company is engaged in the purchase of gas for a pipeline project having for its principal purpose the transportation of pipeline gas to markets in the State of California; and

C. Gas Company has entered into several gas purchase contracts in connection with said pipeline project; and

D. The parties hereto recognize that certain quantities of gas in addition to those sold and purchased under the said several gas purchase contracts will be required by Gas Company from time to time for the expansion of the said project; and that each of the said gas purchase contracts and all other contracts for the sale and purchase of gas hereafter entered into by Gas Company together constitute the present and prospective supply of gas for the said project; and

E. The anticipated gas supply that may become available to Gas Company through the exercise of this option has been given consideration in locating the pipeline facilities of said project; and

F. For the reasons aforesaid Gas Company desires to have the right to purchase any pipeline gas available for sale by Producers within the said area and within economic reach of the said project, and Producers are willing to give Gas Company the right to purchase the same subject to the terms of this agreement.

NOW, THEREFORE, in consideration of the premises the parties agree as follows:

1. Producers hereby give and grant to Gas Company the exclusive right and option, irrevocable within the time herein limited for acceptance, to purchase from Producers subject to the terms and conditions of the form of Gas Purchase Contract attached hereto and marked Schedule "B" all the gas which Producers shall, from time to time have available for sale from (i) existing reserves, new discoveries or acquisitions within the said area in quantities which in Producers' opinion warrant development for the purpose of producing and selling as pipeline gas; or (ii) from condensate fields upon the curtailment or cessation of any recycling program in such fields.

2. Upon any such gas becoming available as aforesaid in the said area, Producers shall give Gas Company notice thereof (hereinafter called "Producers' notice"). Producers shall attach to Producers' notice a plat showing the location of the discovery well or wells and the lands owned or controlled by Producers in the vicinity thereof (hereinafter called "the said lands") which in Producers' opinion contain gas in commercial quantities. Producers' notice shall contain Producers' best estimate of the proven reserves and their best estimate of the probable reserves underlying the said lands, indicating therein any quantities of gas withheld by Producers for gas lift operations and return to any reservoir in the said area. Producers shall furnish to Gas Company such geological, engineering and production data available to Producers as may be needed for a study of the gas reserves and deliverability thereof including electrical logs, core analyses and any and all information pertaining to

such wells; provided, however, that Producers shall not be required to furnish any data the release of which would be prejudicial, in Producers' opinion, to their interests.

3. Within six (6) months from the date of the receipt of Producers' notice, Gas Company shall give Producers notice (hereinafter called "Gas Company's notice") whether or not it elects to purchase the gas designated therein. If Gas Company elects not to purchase such gas, the said lands shall no longer be subject to this agreement.

4. Within thirty (30) days after receipt of Gas Company's notice electing to purchase gas as above provided, the parties shall enter into a Gas Purchase Contract in the form, mutatis mutandis, of Schedule "B", except that if prior to that date Gas Company has entered into any contract with any other producer for the purchase at the outlet of a treating plant of gas other than oil field gas in the Provinces of Alberta and British Columbia under terms (including delivery conditions and price) which are considered by Producers to be more favourable to that producer than those fixed in Schedule "B", Schedule "B" shall be revised so as to substitute as appropriate the form and substance of such other contract. It is understood that in making such substitution all properly applicable terms of such other contract will be incorporated rather than only those which Producers may consider would be more favourable to them. Upon the execution of said Gas Purchase Contract, Gas Company shall execute and deliver with said contract the form of letter attached hereto and marked Schedule "C".

5. Nothing herein contained shall be construed as requiring Producers to drill a well or wells within the said area, or to make any gas available for sale, but Producers shall not sell any gas from the said area other than to Gas Company unless Producers shall have first complied with this agreement.

6. Any notice to be given under the terms of this agreement shall be in writing directed to the party to whom given at such party's address as follows:

Hudson's Bay Oil and Gas Company Limited
320 - 7th Avenue West
Calgary, Alberta

Pan American Petroleum Corporation
Petroleum Building
Calgary, Alberta

Canadian Fina Oil Limited
Bamlett Building
630 - 8th Avenue West
Calgary, Alberta

Producers

Alberta and Southern Gas Co. Ltd.
140 - 6th Avenue S.W.
Calgary, Alberta

Gas Company

Any party may change its address by giving written notice to the other parties.

7. This agreement shall be effective as of the date hereof and shall continue for a period of five (5) years or until Gas Company has been offered and has elected to purchase gas reserves of at least one (1) trillion

cubic feet under the provisions hereof, whichever shall first occur; provided, however, Producers shall have the right to terminate this agreement upon the happening of any of the following contingencies, to wit:

- (a) The failure of Gas Company to obtain from Government authorities in the Province of Alberta all the necessary permits, certificates and other authorizations by February 1, 1959 permitting it to export gas from the Province of Alberta;
- (b) The failure of Gas Company to obtain all other necessary permits, certificates and other authorizations by January 1, 1960 permitting the construction and operation of the said pipeline project;
- (c) The failure of Gas Company to commence construction by April 1, 1960 of the facilities required to transport gas to markets in the State of California;
- (d) The failure of Gas Company to elect to purchase proven and probable reserves amounting to 250 billion cubic feet or more, excluding the quantities of gas withheld under paragraph 2, within six (6) months from the date of receipt of a Producers' notice offering such reserves to Gas Company at a single point of delivery.

8. Each party shall do and perform all such acts and things, execute and deliver all such instruments, documents and writings, and give all

such assurances as may be necessary to give full effect to the provisions and intent of this agreement.

9. The word "reserves" shall have the meaning given for such word in Schedule "B".

10. This agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

IN WITNESS WHEREOF this agreement has been properly executed by the parties hereto as of the day and year first above written.

HUDSON'S BAY OIL AND GAS COMPANY LIMITED

By L. J. Richards (Seal)
Vice-President

and by K. H. Burgis
Secretary

PAN AMERICAN PETROLEUM CORPORATION

N. J. Stewart
Witness as to signature
of George H. Galloway

By George H. Galloway
Its Attorney In Fact

and by _____

CANADIAN FINA OIL LIMITED

By Trajan Nitescu (Seal)
President

and by Robert G. Black
Secretary

ALBERTA AND SOUTHERN GAS CO. LTD.

By J. K. Horton (Seal)
President

and by R. L. Winton
Secretary

CANADA)
PROVINCE OF ALBERTA)

I, NEIL J. STEWART,
of the City of Calgary
in the Province of Alberta,

To Wit;)

make oath and say:

1. That I was personally present and did see GEORGE H. GALLOWAY
named in the attached instrument, who is personally known to me to be the
person named therein, duly sign and execute the same for the purposes named
therein.

2. That the same was executed at the City of Calgary
in the Province of Alberta and that I am the subscribing witness thereto.

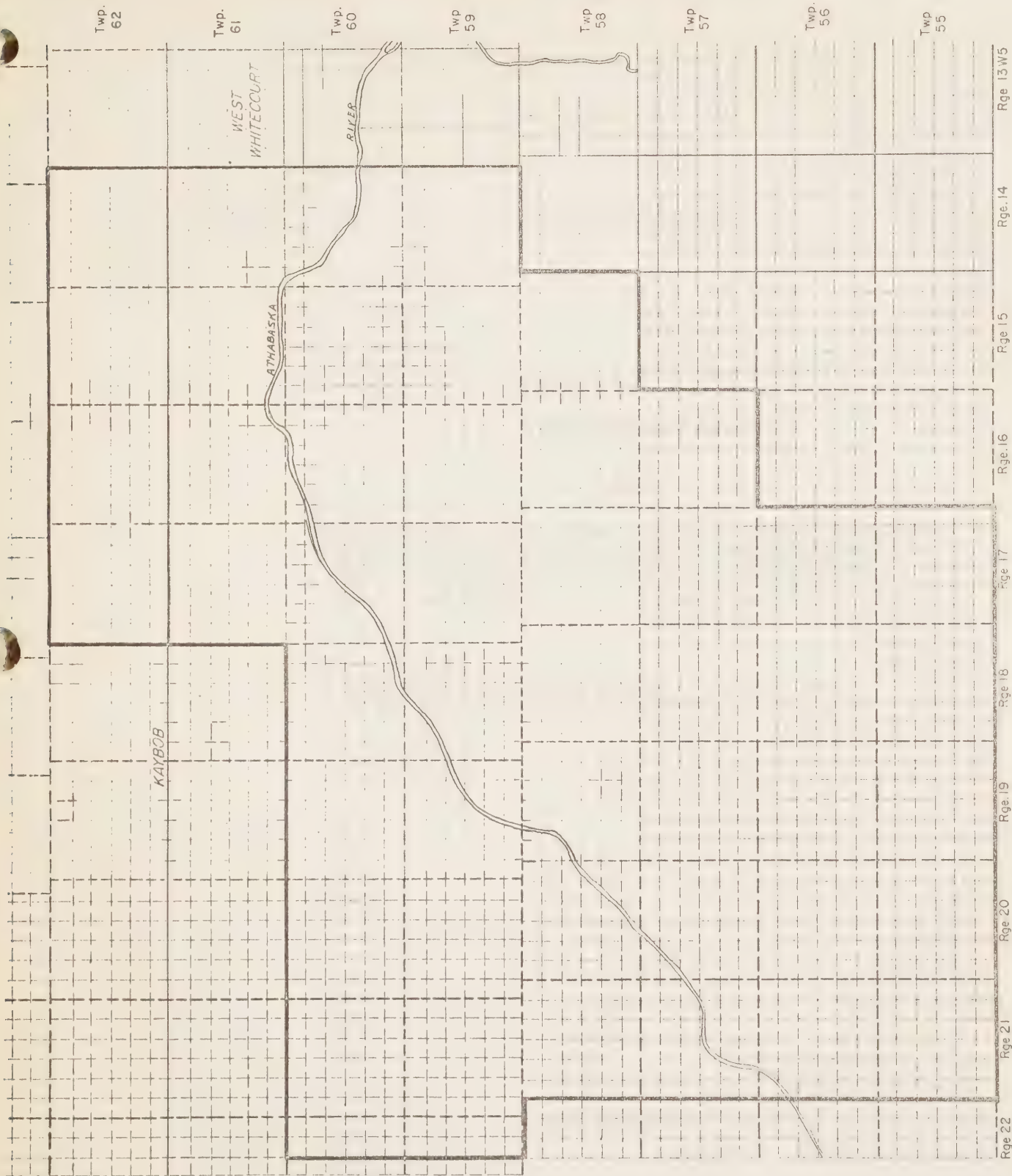
3. That I know the said GEORGE H. GALLOWAY
and he is in my belief of the full age of twenty-one years.

SWORN at the City of Calgary)
in the Province of Alberta,)
this 5th day of December A.D. 1957)
Before me,)

N. J. Stewart

Lloyd M. Clark

A Commissioner for Oaths in and for the Province of Alberta.



OPTION AGREEMENT FOR GAS PURCHASE
WHITECOURT AREA
SCHEDULE "A"

SCHEDULE "B"

TO

OPTION AGREEMENT FOR GAS PURCHASE

WHITCOURT AREA

Between

HUDSON'S BAY OIL AND GAS COMPANY LIMITED

PAN AMERICAN PETROLEUM CORPORATION

CANADIAN FINA OIL LIMITED

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

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THIS GAS PURCHASE CONTRACT made the

day of

1957.

BETWEEN

(hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD. ,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Buyer")

OF THE SECOND PART

W I T N E S S E T H T H A T:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Company, a California corporation, hereinafter referred to as "P. G. and E.";

AND WHEREAS P. G. and E. and certain subsidiaries (including Buyer) and/or affiliates of P. G. and E. , hereinafter referred to as "the participants", propose to construct and operate a natural gas pipeline project, hereinafter called "The Project", having for its principal purpose the transportation of gas purchased by Buyer to the existing integrated transmission and distribution system of P. G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the _____ Field, as same is

outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean, as the context may require, either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents, but shall not include gas, the rate

of production of which is controlled by the quantity of oil simultaneously produced.

(e) The term "Buyer's facilities" shall mean that portion of the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport to California the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(1) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from the _____ reservoir underlying Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before Buyer's facilities can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of twelve (12) months from the date hereof all necessary authorizations, in form acceptable to the participants,

shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct Buyer's facilities, and Seller agrees that it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. In the event Seller is capable of delivering to Buyer the quantity of gas required hereunder at the expiration of eighteen (18) months after all such authorizations have been obtained, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take; provided, however, that Buyer shall not be obligated to commence to take or pay for gas sooner than one (1) year following the date of initial deliveries of gas to The Project from other sources.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely; to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities

and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to any reservoir within the Whitecourt Area as same is outlined by the heavy black line on the map marked Exhibit "B" annexed hereto, up to but not exceeding the quantities of gas withheld by Seller for gas lift operations and return to reservoir pursuant to paragraph 2 of that certain option agreement dated 25 November, 1957, to which Buyer and Seller are parties, and Seller reserves additional quantities of gas for the identical purpose so long as such reservation does not interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom and for processing or recovering oil in the said Whitecourt Area.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such

processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any

of Seller's leases by reason of non-production.

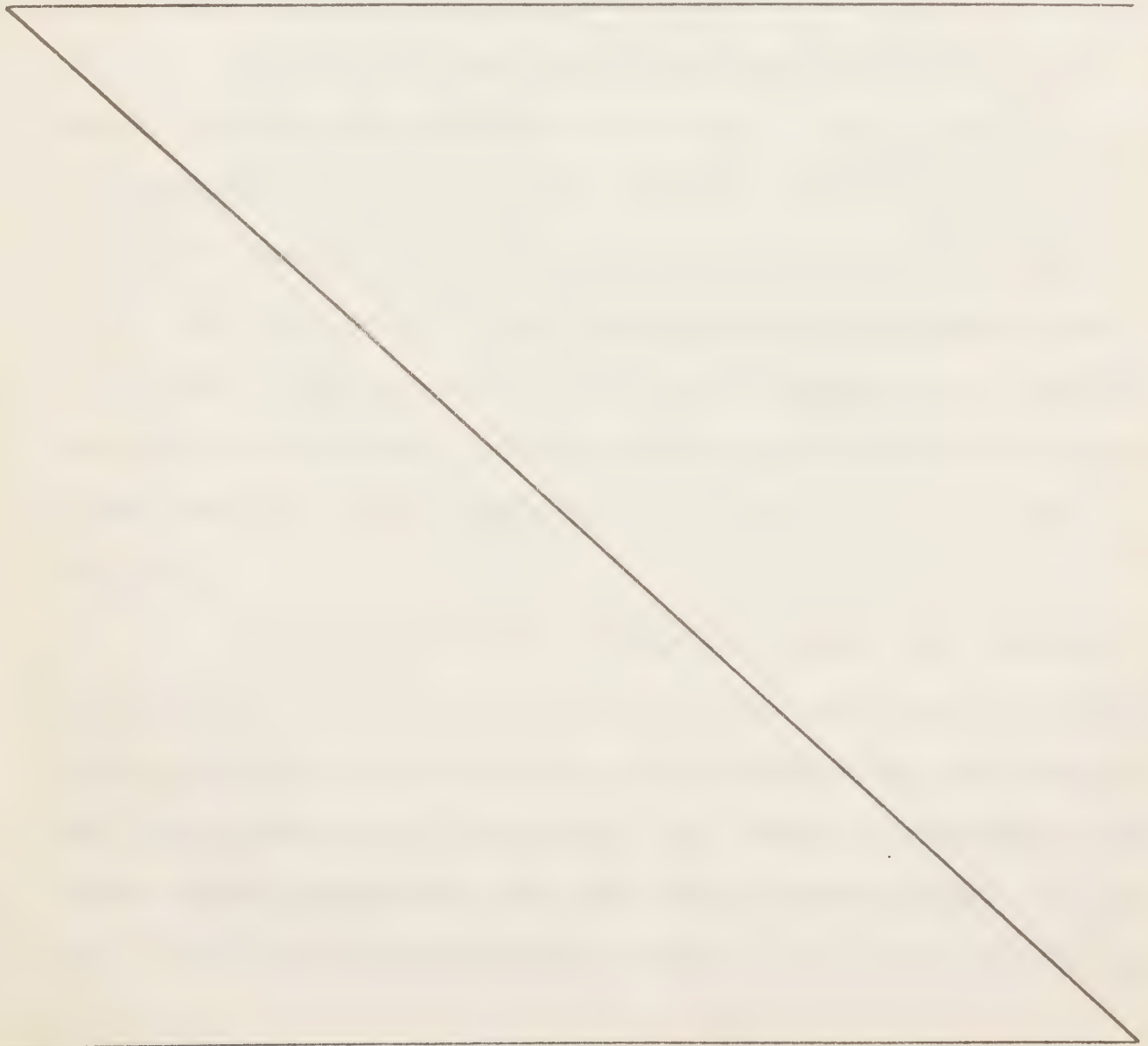
ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than (A) Mcf per day for a twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially (B) Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas to Buyer at the point of delivery referred to in Article VIII, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to _____, for the period from the date of first delivery to _____, Seller shall use its best efforts to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use its best efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on _____ or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of eighteen (18) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volumes of gas requested by Buyer up to

Note: The volume to be inserted in blank space (B) shall be the same as the volume inserted in blank space (A) decreased by the daily equivalent for a twenty-five (25) year period of the quantities of gas withheld by Seller for gas lift operations and return to reservoir pursuant to paragraph 2 of that certain option agreement dated 25 November, 1957, to which Buyer and Seller are parties.



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one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. Subject to the reservations provided for in Article III hereof, Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity not later than the date The Project is ready for operation, and one hundred and twenty percent (120%) of the Daily Contract Quantity, as it may exist from time to time, thereafter.

3. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid

for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity; provided, however, that the said volume of gas which Buyer has the right to take during each of the two succeeding contract years, as provided above, shall not without the express permission of Seller exceed a volume represented by ten percent (10%) of the Daily Contract Quantity multiplied by three hundred and sixty-five (365).

4. If Seller fails for any twenty (20) days during any month to deliver to Buyer the Daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period

commencing on the day following the end of said six (6) months period, or at such earlier time as Seller may request, Buyer shall have the right to reduce the Daily Contract Quantity to a volume equal to eighty-three and one-third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

5. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements.

Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty-three and one-third percent (83-1/3%) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at _____ pounds per square inch absolute.
2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.
3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer,

provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at the point of delivery, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable

intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent (83-1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through	
June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962 . . .	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963 . . .	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964 . . .	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965 . . .	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966 . . .	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967 . . .	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968 . . .	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973 . . .	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978 . . .	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983 . . .	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV; and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof, having due regard to the then prevailing prices paid by purchasers of gas produced in the provinces of Alberta and British Columbia.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth

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in Subsection (i) of this Section 1.

2. The prices stated in Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive	.950
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075 to 1100 inclusive	1.075
For gas with a BTU content of more than 1100 to 1125 inclusive	1.100
For gas with a BTU content of more than 1125	1.125

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions herein-after set forth, pay to Seller one-half (1/2) of such new taxes or one-half (1/2)

of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half (1/2) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers other than Seller delivering gas to Buyer or Buyer's nominee, from fields other than oil fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this

Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending renegotiation as provided therein) of this Section 6 exceed or be less than the

value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render or cause to be rendered an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within six (6) months after the receipt by Seller of said statement, or, if during said six (6) months period Seller has requested the related meter charts, within sixty (60) days after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period.

2. If, by reason of the provisions of Article IV hereof Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission

(including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the

other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to unavoidable failure of title and to the applicable laws, rules and regulations, Seller's leases are in full force and effect and are capable of being maintained and will be maintained by Seller in full force and effect for as long as in Seller's opinion gas can be produced therefrom in paying quantities, that Seller has title to the gas to be sold and delivered hereunder. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until

such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all of its reserves in the _____ reservoir underlying Seller's lands subject, however, to any limitation provided by governmental authority and to the reservations of Seller provided in Article III.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally

high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby, subject however to the provisions of Article III. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller may proceed with such additional development as may be necessary from time to time to comply with Section 2 of Article IV. In the event Seller shall fail within six (6) months from and after such determination to complete such additional development as may be necessary to comply with Section 2 of Article IV, Buyer shall have the right to reduce the Daily Contract Quantity to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that deliverability is sufficient but reserves are insufficient, then Seller may, within six (6) months from and after such determination, make available and dedicate to this Contract such additional uncommitted quantities of gas as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are economically producible and available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required

for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party have executed this Contract as Seller and more than one of such parties are involved in the same controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an

arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd.
140 - 6th Avenue S. W.
Calgary, Alberta

SELLER:

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter

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This page 35 includes Section 8 of Article XVI at the request of, and applicable to, Pan American Petroleum Corporation only, to meet certain United States Internal Revenue Code requirements. See next sheet for other page 35 applicable to Hudson's Bay Oil and Gas Company Limited and to Canadian Fina Oil Limited.

having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

7. The books, records and accounts of each party hereto relating to the subject matter of this Contract shall be opened at all reasonable times for the inspection of the other party.

8. Seller hereby elects to be excluded from the application of Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code of 1954, as amended, insofar as such Subchapter or any portion or portions thereof may be applicable to the parties to this Contract in respect of the operations covered hereby. Seller will execute such additional or further evidence of said election as may be required by Regulations issued under said Subchapter K.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

PAN AMERICAN PETROLEUM CORPORATION

By _____

"SELLER"

By _____

ALBERTA AND SOUTHERN GAS CO. LTD.

By _____

"BUYER"

By _____

This page 35 is applicable only to Hudson's Bay Oil and Gas Company Limited and to Canadian Fina Oil Limited. See previous sheet for other page 35 applicable to Pan American Petroleum Corporation only.

having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

7. The books, records and accounts of each party hereto relating to the subject matter of this Contract shall be opened at all reasonable times for the inspection of the other party.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

"SELLER"

By _____

By _____

ALBERTA AND SOUTHERN GAS CO. LTD.

By _____

"BUYER"

By _____

SCHEDULE "C"

Gentlemen:

We recognize that you have executed the Gas Purchase Contract with this Company dated _____ covering the delivery of gas at the outlet of a treating plant to be located in the _____ Field in Alberta in reliance upon our assurance as follows:

When and as we enter into contracts with other producers for the purchase at the outlet of a treating plant of gas other than oil field gas in the Provinces of Alberta and British Columbia prior to July 1, 1968, we will promptly deliver to you copies of such other contracts. Should you consider the terms (including delivery conditions and price) of any such contract to be more favorable to the producer than those fixed in said Gas Purchase Contract between us, we agree, upon receiving a written request from you within sixty (60) days after you receive a copy of any such other contract, to modify our said Gas Purchase Contract with you so as to substitute as appropriate the form and substance of such other contract. It is understood that in making such substitution, all properly applicable terms of such other contract will be incorporated rather than only those which you may consider would be more favorable to you.

This supplemental agreement shall be deemed a part of said Gas Purchase Contract between us, and accordingly shall be assignable with it.

Yours very truly

ALBERTA AND SOUTHERN GAS CO. LTD.

By _____

VIRGINIA HILLS AREA GAS PURCHASE OPTION AGREEMENT

Between

MOBIL OIL OF CANADA, LTD.

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

THIS AGREEMENT made this 29th day of November, 1957

BETWEEN:

MOBIL OIL OF CANADA, LTD., a corporation incorporated under the laws of the State of Delaware in the United States of America and authorized to carry on business in the Province of Alberta in the Dominion of Canada (hereinafter called "Producer")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD. a body corporate, having an office and carrying on business in the City of Calgary, in the Province of Alberta, (hereinafter called "Gas Company")

OF THE SECOND PART

WHEREAS:

A. Producer now owns or controls petroleum and/or natural gas rights or interests and may hereafter acquire similar rights or interests in that area of land (hereinafter called "the said area") outlined by a heavy black line on the map attached hereto and marked Schedule "A" and by this reference made a part hereof, and Producer expects to develop and have gas available for sale therefrom; and

B. Gas Company is engaged in the purchase of gas for a pipeline project having for its principal purpose the transportation of pipeline gas to markets in the State of California; and

C. Gas Company has entered into several gas purchase contracts in connection with said pipeline project and would like to enter into additional contracts for the purchase of gas for said project; and

D. As a part of said pipeline project, Gas Company or its nominee will construct, operate and maintain the pipeline facilities commencing in the so-called "Windfall Area" of Alberta and extending to Crow's Nest Pass in British Columbia for handling the gas purchased from Producer hereunder; and

E. For the reasons aforesaid, Gas Company desires to have the right to purchase pipeline gas available for sale by Producer within the said area, and Producer is willing to give Gas Company the right to purchase the same subject to the terms of this agreement.

NOW, THEREFORE, in consideration of the premises, the parties agree as follows:

1. Producer hereby gives and grants to Gas Company the exclusive right and option, irrevocable within the time herein specified for acceptance, to purchase from Producer, subject to the terms and conditions of the form of Gas Purchase Contract attached hereto and marked Schedule "B", all of the gas which Producer may, from time to time (i) discover or acquire within the said area which Producer does not desire to use at any time in any repressuring, recycling, or secondary recovery program; or (ii) have available for sale as pipeline gas from oil and condensate fields in the said area upon the curtailment or cessation of any repressuring or recycling program in such fields.

2. Upon any such gas becoming available as aforesaid in the said area, Producer shall forthwith give Gas Company notice thereof (hereinafter called "Producer's notice"). Producer shall attach to Producer's notice a plat showing the location of the discovery well or wells and the lands owned or controlled by Producer in the vicinity thereof which in Producer's opinion contain

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the literature review and the methodology used in the study. The second part of the paper presents the results of the study and discusses the findings. The third part of the paper discusses the implications of the study and provides some suggestions for future research. The fourth part of the paper is the conclusion and the references.

The study was conducted in a systematic and rigorous manner, following the principles of scientific research. The data was collected from a large sample of participants and was analyzed using statistical methods. The results of the study are presented in a clear and concise manner, and the findings are discussed in detail. The implications of the study are discussed, and some suggestions for future research are provided. The conclusion of the study is that the study was successful in achieving its objectives and that the findings are significant.

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gas in commercial quantities (hereinafter called "the said lands"). Producer's notice shall contain Producer's best estimate of the proven and probable reserves underlying the said lands, but Producer shall not guarantee the correctness of such estimate and shall not incur any obligation or liability, direct or consequential, in the event the said lands do not contain said estimated reserves.

3. Within one (1) year from the date of the receipt of Producer's notice, Gas Company shall give Producer notice whether or not it elects to purchase the gas designated therein. If Gas Company elects not to purchase such gas, this agreement, at the option of Producer, shall terminate.

4. If Gas Company elects to purchase such gas, it shall specify in its said notice the minimum reserves which it reasonably believes are necessary to justify a pipeline extension to the said lands, and the date when it will commence taking the gas, which date shall not be later than three (3) years after the effective date of the Gas Purchase Contract entered into in accordance with Paragraph 6.

5. Upon receipt of notice from Gas Company of its election to purchase such pipeline gas, Producer shall commence such development operations on the said lands as are necessary in its sole opinion to develop the said lands, provided that nothing herein shall be construed to require Producer to drill a well or wells on said lands. In the event Producer is unable to prove up the minimum reserves referred to in Paragraph 4, Producer shall notify Gas Company and specify the amount of reserves it has or will be able to prove up. Gas Company shall thereupon notify Producer whether

it desires to withdraw its election to purchase such gas or to purchase such gas on the basis of the reduced reserve figure; provided, however, that if Producer is able to develop proven reserves of at least 200 billion cubic feet, Gas Company cannot withdraw its election to purchase such gas. If Gas Company withdraws its election to purchase such gas, this agreement, at the option of Producer, shall terminate.

6. After the reserves have been developed as above provided, the parties shall enter into a Gas Purchase Contract in the form, mutatis mutandis, of Schedule "B", except that if prior to the date of execution of said contract Gas Company has entered into any contract with any other producer for the purchase of gas, other than oil field gas, meeting the quality requirements of Article V of Schedule "B", in the Province of Alberta under terms (including delivery conditions and price) which are considered by Producer to be more favorable to that producer than those fixed in Schedule "B", Schedule "B" shall be revised so as to substitute as appropriate the form and substance of such other contract. It is understood that in making such substitution all properly applicable terms of such other contract will be incorporated rather than only those which Producer may consider would be more favorable to it. If the parties are unable to agree upon the appropriate dates, quantities and field description to insert in the blanks in the said Schedule "B", the matter or matters in issue shall be referred to and determined by arbitration conducted in accordance with the provisions of Article XV of said Schedule "B".

7. Nothing herein contained shall be construed as requiring Producer to drill a well or wells within the said area, but the sale of gas from the said

area by Producer shall be subject to the terms of this agreement.

8. Any notice to be given under the terms of this agreement shall be in writing directed to the party to whom given at such party's address as follows:

Mobil Oil of Canada, Ltd.
Mobil Oil Building
Calgary, Alberta, Canada

Producer

Alberta and Southern Gas Co. Ltd.
140 - 6th Avenue S.W.
Calgary, Alberta

Gas Company

Either party may change its address by giving written notice to the other party.

9. This agreement shall be effective as of the date hereof and shall continue for a period of Ten (10) years or until Gas Company has been offered gas reserves under this agreement and that certain Alhambra agreement of even date herewith totalling at least 912.5 billion cubic feet, whichever shall first occur.

10. Each party shall do and perform all such acts and things, execute and deliver all such instruments, documents and writings, and give all such assurances as may be necessary to give full effect to the provisions and intent of this agreement.

11. The word "reserves" shall have the meaning given for such word in Schedule "B".

12. Producer may terminate this agreement at any time if Gas

Company is effectively prevented from full performance hereunder by any cause, whether governmental regulations or otherwise, or if it becomes reasonably probable that Gas Company will not be able to comply with the provisions of this agreement, or if Gas Company or its nominee fails to commence construction by January 1, 1961 of the facilities required to transport gas to markets in the State of California, and on execution of the Gas Purchase Contract attached as Schedule "B" this agreement shall terminate as to the lands described in said Gas Purchase Contract.

13. There shall be no modification of the terms and provisions of this agreement ~~contract~~ except in writing signed by the party or parties to be bound thereby.
A. O. D.

J. K. H. 14. It is expressly understood and agreed that Producer does not warrant its title to all or any part of said lands.

15. This agreement embodies the entire contract between the parties hereto in respect to the said area or any portion or portions thereof, and all prior agreements and negotiations between the parties pertaining to the subject matter of this agreement are merged herein.

16. This agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns, provided that this contract shall not be assignable by either party without the written consent of the other party.

IN WITNESS WHEREOF this agreement has been properly executed by the parties hereto as of the day and year first above written.

MOBIL OIL OF CANADA, LTD.

By A. O. Detmar (Seal)
Vice President

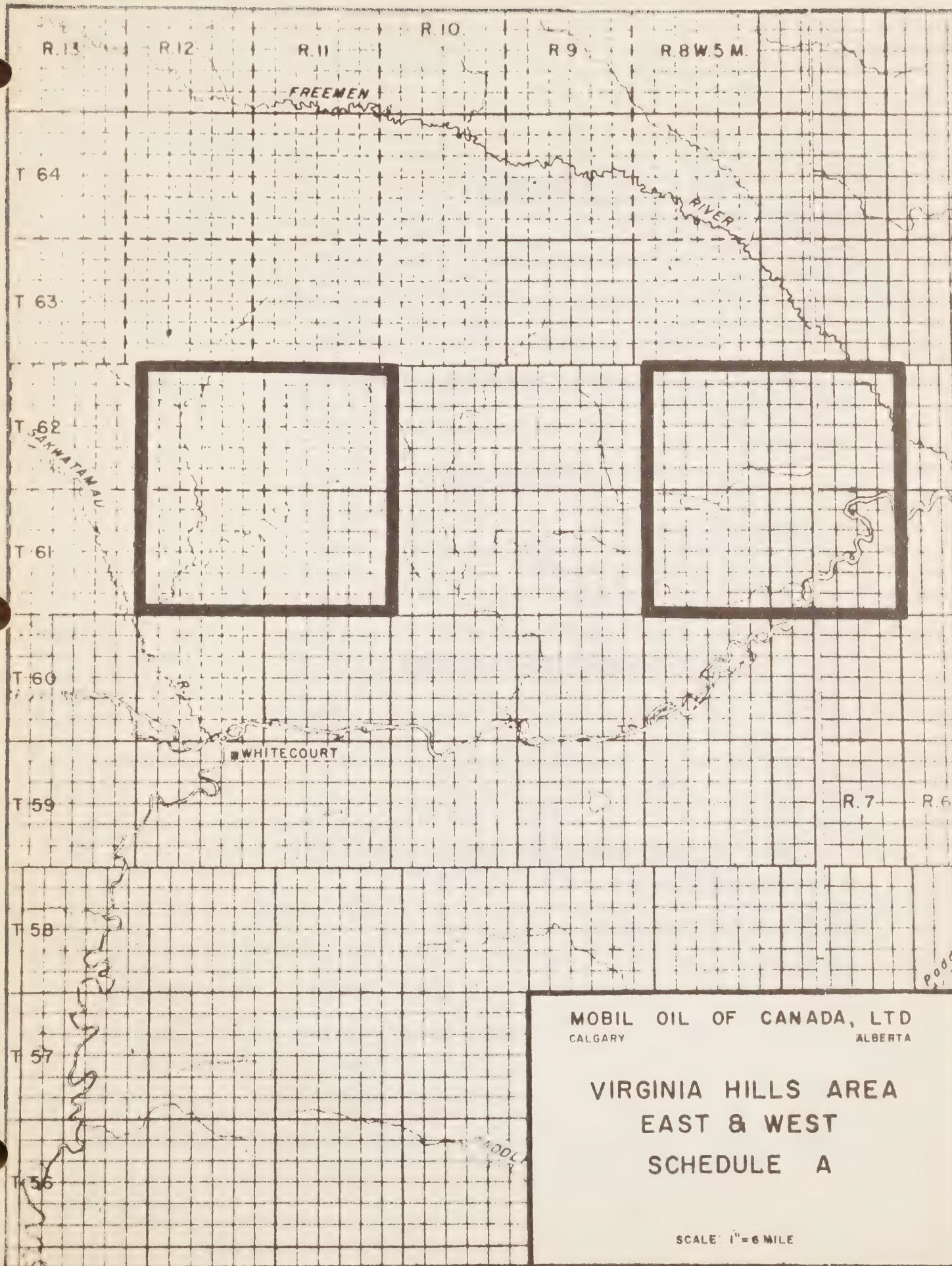
(Seal)

By H. E. McCombs
Secretary

ALBERTA AND SOUTHERN GAS CO. LTD.

By J. K. Horton
President

By R. L. Winton
Secretary



MOBIL OIL OF CANADA, LTD
CALGARY ALBERTA

VIRGINIA HILLS AREA
EAST & WEST
SCHEDULE A

SCALE: 1"=6 MILE

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SCHEDULE "B"

TO

OPTION AGREEMENT FOR GAS PURCHASE

VIRGINIA HILLS AREA

Between

MOBIL OIL OF CANADA, LTD.

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

I N D E X

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THIS GAS PURCHASE CONTRACT made the
1957.

day of

BETWEEN

MOBIL OIL OF CANADA, LTD.,
a corporation incorporated under the laws
of the State of Delaware in the United States
of America and authorized to carry on
business in the Province of Alberta in the
Dominion of Canada,
(hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Com-
pany, a California corporation, hereinafter referred to as "P. G. and E.";

AND WHEREAS P. G. and E. and certain subsidiaries (including
Buyer) and/or affiliates of P. G. and E., hereinafter referred to as "the
participants", propose to construct and operate a natural gas pipeline project,
hereinafter called "The Project", having for its principal purpose the trans-
portation of gas purchased by Buyer to the existing integrated transmission
and distribution system of P. G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas
rights or interests therein in the _____ Field, as same is

outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other

constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands,

and shall include any document evidencing such right.

(1) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable Canadian and United States laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary

authorizations in form acceptable to the participants from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all other necessary authorizations, in form acceptable to the participants, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained, the participants will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961 or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, without limiting the generality of the foregoing, the right to determine when, whether and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said Field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said Field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties,

whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller and Buyer mutually agree that Seller's presently proven reserves are equal to a volume of not less than _____ Mcf per day for a twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially _____ Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas produced from Seller's lands to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller will endeavor to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer will, during

said period, endeavor to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volumes of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further

The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1801. The letter is addressed to the Senate and House of Representatives, and is signed by James Madison. The letter discusses the state of the Union and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on the 30th of January. The letter concludes with a statement of the President's confidence in the Congress and a request for their continued support.

The second part of the document is a report from the Secretary of the Treasury, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by Alexander Hamilton. The report discusses the state of the Treasury and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on the 30th of January. The report concludes with a statement of the Secretary's confidence in the President and a request for his continued support.

The third part of the document is a report from the Secretary of the Navy, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by John Jay. The report discusses the state of the Navy and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on the 30th of January. The report concludes with a statement of the Secretary's confidence in the President and a request for his continued support.

The fourth part of the document is a report from the Secretary of the War, dated January 3, 1801. The report is addressed to the President and the Congress, and is signed by Henry Knox. The report discusses the state of the War and the progress of the government since the inauguration of the President. It also mentions the recent election of the President and the Vice President, and the fact that the President has been inaugurated on the 30th of January. The report concludes with a statement of the Secretary's confidence in the President and a request for his continued support.

payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

3. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller is unable or elects not to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such

earlier time as Seller may request, Buyer shall have the right to reduce the Daily Contract Quantity to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

4. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipelines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15^o) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110^o) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements.

Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty-three and one-third percent (83-1/3%) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at _____ pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer,

provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at the point of delivery, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable

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intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent (83-1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed, to be designated by Seller in writing.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV; and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth

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Date		Description		Amount	
10/1/78		Balance		100.00	
10/2/78		Deposited		50.00	
10/3/78		Withdrawal		25.00	
10/4/78		Deposited		75.00	
10/5/78		Withdrawal		30.00	
10/6/78		Deposited		60.00	
10/7/78		Withdrawal		40.00	
10/8/78		Deposited		80.00	
10/9/78		Withdrawal		50.00	
10/10/78		Deposited		90.00	
10/11/78		Withdrawal		60.00	
10/12/78		Deposited		70.00	
10/13/78		Withdrawal		80.00	
10/14/78		Deposited		90.00	
10/15/78		Withdrawal		100.00	
10/16/78		Deposited		110.00	
10/17/78		Withdrawal		120.00	
10/18/78		Deposited		130.00	
10/19/78		Withdrawal		140.00	
10/20/78		Deposited		150.00	
10/21/78		Withdrawal		160.00	
10/22/78		Deposited		170.00	
10/23/78		Withdrawal		180.00	
10/24/78		Deposited		190.00	
10/25/78		Withdrawal		200.00	
10/26/78		Deposited		210.00	
10/27/78		Withdrawal		220.00	
10/28/78		Deposited		230.00	
10/29/78		Withdrawal		240.00	
10/30/78		Deposited		250.00	
10/31/78		Withdrawal		260.00	
11/1/78		Deposited		270.00	
11/2/78		Withdrawal		280.00	
11/3/78		Deposited		290.00	
11/4/78		Withdrawal		300.00	
11/5/78		Deposited		310.00	
11/6/78		Withdrawal		320.00	
11/7/78		Deposited		330.00	
11/8/78		Withdrawal		340.00	
11/9/78		Deposited		350.00	
11/10/78		Withdrawal		360.00	
11/11/78		Deposited		370.00	
11/12/78		Withdrawal		380.00	
11/13/78		Deposited		390.00	
11/14/78		Withdrawal		400.00	
11/15/78		Deposited		410.00	
11/16/78		Withdrawal		420.00	
11/17/78		Deposited		430.00	
11/18/78		Withdrawal		440.00	
11/19/78		Deposited		450.00	
11/20/78		Withdrawal		460.00	
11/21/78		Deposited		470.00	
11/22/78		Withdrawal		480.00	
11/23/78		Deposited		490.00	
11/24/78		Withdrawal		500.00	
11/25/78		Deposited		510.00	
11/26/78		Withdrawal		520.00	
11/27/78		Deposited		530.00	
11/28/78		Withdrawal		540.00	
11/29/78		Deposited		550.00	
11/30/78		Withdrawal		560.00	
12/1/78		Deposited		570.00	
12/2/78		Withdrawal		580.00	
12/3/78		Deposited		590.00	
12/4/78		Withdrawal		600.00	
12/5/78		Deposited		610.00	
12/6/78		Withdrawal		620.00	
12/7/78		Deposited		630.00	
12/8/78		Withdrawal		640.00	
12/9/78		Deposited		650.00	
12/10/78		Withdrawal		660.00	
12/11/78		Deposited		670.00	
12/12/78		Withdrawal		680.00	
12/13/78		Deposited		690.00	
12/14/78		Withdrawal		700.00	
12/15/78		Deposited		710.00	
12/16/78		Withdrawal		720.00	
12/17/78		Deposited		730.00	
12/18/78		Withdrawal		740.00	
12/19/78		Deposited		750.00	
12/20/78		Withdrawal		760.00	
12/21/78		Deposited		770.00	
12/22/78		Withdrawal		780.00	
12/23/78		Deposited		790.00	
12/24/78		Withdrawal		800.00	
12/25/78		Deposited		810.00	
12/26/78		Withdrawal		820.00	
12/27/78		Deposited		830.00	
12/28/78		Withdrawal		840.00	
12/29/78		Deposited		850.00	
12/30/78		Withdrawal		860.00	
12/31/78		Deposited		870.00	
1/1/79		Withdrawal		880.00	
1/2/79		Deposited		890.00	
1/3/79		Withdrawal		900.00	
1/4/79		Deposited		910.00	
1/5/79		Withdrawal		920.00	
1/6/79		Deposited		930.00	
1/7/79		Withdrawal		940.00	
1/8/79		Deposited		950.00	
1/9/79		Withdrawal		960.00	
1/10/79		Deposited		970.00	
1/11/79		Withdrawal		980.00	
1/12/79		Deposited		990.00	
1/13/79		Withdrawal		1000.00	
1/14/79		Deposited		1010.00	
1/15/79		Withdrawal		1020.00	
1/16/79		Deposited		1030.00	
1/17/79		Withdrawal		1040.00	
1/18/79		Deposited		1050.00	
1/19/79		Withdrawal		1060.00	
1/20/79		Deposited		1070.00	
1/21/79		Withdrawal		1080.00	
1/22/79		Deposited		1090.00	
1/23/79		Withdrawal		1100.00	
1/24/79		Deposited		1110.00	
1/25/79		Withdrawal		1120.00	
1/26/79		Deposited		1130.00	
1/27/79		Withdrawal		1140.00	
1/28/79		Deposited		1150.00	
1/29/79		Withdrawal		1160.00	
1/30/79		Deposited		1170.00	
1/31/79		Withdrawal		1180.00	
2/1/79		Deposited		1190.00	
2/2/79		Withdrawal		1200.00	
2/3/79		Deposited		1210.00	
2/4/79		Withdrawal		1220.00	
2/5/79		Deposited		1230.00	
2/6/79		Withdrawal		1240.00	
2/7/79		Deposited		1250.00	
2/8/79		Withdrawal		1260.00	
2/9/79		Deposited		1270.00	
2/10/79		Withdrawal		1280.00	
2/11/79		Deposited		1290.00	
2/12/79		Withdrawal		1300.00	
2/13/79		Deposited		1310.00	
2/14/79		Withdrawal		1320.00	
2/15/79		Deposited		1330.00	
2/16/79		Withdrawal		1340.00	
2/17/79		Deposited		1350.00	
2/18/79		Withdrawal		1360.00	
2/19/79		Deposited		1370.00	
2/20/79		Withdrawal		1380.00	
2/21/79		Deposited		1390.00	
2/22/79		Withdrawal		1400.00	
2/23/79		Deposited		1410.00	
2/24/79		Withdrawal		1420.00	
2/25/79		Deposited		1430.00	
2/26/79		Withdrawal		1440.00	
2/27/79		Deposited		1450.00	
2/28/79		Withdrawal		1460.00	
2/29/79		Deposited		1470.00	
2/30/79		Withdrawal		1480.00	
3/1/79		Deposited		1490.00	
3/2/79		Withdrawal		1500.00	
3/3/79		Deposited		1510.00	
3/4/79		Withdrawal		1520.00	
3/5/79		Deposited		1530.00	
3/6/79		Withdrawal		1540.00	
3/7/79		Deposited		1550.00	
3/8/79		Withdrawal		1560.00	
3/9/79		Deposited		1570.00	
3/10/79		Withdrawal		1580.00	
3/11/79		Deposited		1590.00	
3/12/79		Withdrawal		1600.00	
3/13/79		Deposited		1610.00	
3/14/79		Withdrawal		1620.00	
3/15/79		Deposited		1630.00	
3/16/79		Withdrawal		1640.00	
3/17/79		Deposited		1650.00	
3/18/79		Withdrawal		1660.00	
3/19/79		Deposited		1670.00	
3/20/79		Withdrawal		1680.00	
3/21/79		Deposited		1690.00	
3/22/79		Withdrawal		1700.00	
3/23/79		Deposited		1710.00	
3/24/79		Withdrawal		1720.00	
3/25/79		Deposited		1730.00	
3/26/79		Withdrawal		1740.00	
3/27/79		Deposited		1750.00	
3/28/79		Withdrawal		1760.00	
3/29/79		Deposited		1770.00	
3/30/79		Withdrawal		1780.00	
3/31/79		Deposited		1790.00	
4/1/79		Withdrawal		1800.00	
4/2/79		Deposited		1810.00	
4/3/79		Withdrawal		1820.00	
4/4/79		Deposited		1830.00	
4/5/79		Withdrawal		1840.00	
4/6/79		Deposited		1850.00	
4/7/79		Withdrawal		1860.00	
4/8/79		Deposited		1870.00	
4/9/79		Withdrawal		1880.00	
4/10/79		Deposited		1890.00	
4/11/79		Withdrawal		1900.00	
4/12/79		Deposited		1910.00	
4/13/79		Withdrawal		1920.00	
4/14/79		Deposited		1930.00	
4/15/79		Withdrawal		1940.00	
4/16/79		Deposited		1950.00	
4/17/79		Withdrawal		1960.00	
4/18/79		Deposited		1970.00	
4/19/79		Withdrawal		1980.00	
4/20/79		Deposited		1990.00	
4/21/79		Withdrawal		2000.00	
4/22/79		Deposited		2010.00	
4/23/79		Withdrawal		2020.00	
4/24/79		Deposited		2030.00	
4/25/79		Withdrawal		2040.00	
4/26/79		Deposited		2050.00	
4/27/79		Withdrawal		2060.00	
4/28/79		Deposited		2070.00	
4/29/79		Withdrawal		2080.00	
4/30/79		Deposited		2090.00	
5/1/79		Withdrawal		2100.00	
5/2/79		Deposited		2110.00	
5/3/79		Withdrawal		2120.00	
5/4/79		Deposited		2130.00	
5/5/79		Withdrawal		2140.00	
5/6/79		Deposited		2150.00	
5/7/79		Withdrawal		2160.00	
5/8/79		Deposited		2170.00	
5/9/79		Withdrawal		2180.00	
5/10/79		Deposited		2190.00	
5/11/79		Withdrawal		2200.00	
5/12/79		Deposited		2210.00	
5/13/79		Withdrawal		2220.00	
5/14/79		Deposited		2230.00	
5/15/79		Withdrawal		2240.00	
5/16/79		Deposited		2250.00	
5/17/79		Withdrawal		2260.00	
5/18/79		Deposited		2270.00	
5/19/79		Withdrawal		2280.00	
5/20/79		Deposited		2290.00	
5/21/79		Withdrawal		2300.00	
5/22/79		Deposited		2310.00	
5/23/79		Withdrawal		2320.00	
5/24/79		Deposited		2330.00	
5/25/79		Withdrawal		2340.00	
5/26/79		Deposited		2350.00	
5/27/79		Withdrawal		2360.00	
5/28/79		Deposited		2370.00	
5/29/79		Withdrawal		2380.00	
5/30/79		Deposited		2390.00	
5/31/79		Withdrawal		2400.00	
6/1/79		Deposited		2410.00	
6/2/79		Withdrawal		2420.00	
6/3/79		Deposited		2430.00	
6/4/79		Withdrawal		2440.00	
6/5/79		Deposited		2450.00	
6/6/79		Withdrawal		2460.00	
6/7/79		Deposited		2470.00	
6/8/79		Withdrawal		2480.00	
6/9/79		Deposited		2490.00	
6/10/79		Withdrawal		2500.00	
6/11/79		Deposited		2510.00	
6/12/79		Withdrawal		2520.00	
6/13/79		Deposited		2530.00	
6/14/79		Withdrawal		2540.00	
6/15/79		Deposited		2550.00	

in Subsection (i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive	.950
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075 to 1100 inclusive	1.075
For gas with a BTU content of more than 1100 to 1125 inclusive	1.100
For gas with a BTU content of more than 1125	1.125

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions herein-after set forth, pay to Seller one-half (1/2) of such new taxes or one-half (1/2)

of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half ($1/2$) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers other than Seller delivering gas to Buyer or Buyer's nominee, from fields other than oil fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this

Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical analysis performed.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend of increasing activity over time.

4. The fourth part of the document discusses the implications of the findings. It suggests that the results have significant implications for the field of study and may lead to further research in this area.

5. The fifth part of the document concludes the study. It summarizes the key findings and provides a final statement on the importance of the research.

6. The sixth part of the document includes a list of references. It cites the various sources of information used in the study, including books, articles, and other documents.

7. The seventh part of the document includes a list of appendices. It provides additional information that is not included in the main body of the document, such as raw data and detailed calculations.

8. The eighth part of the document includes a list of figures. It provides a visual representation of the data, including line graphs, bar charts, and pie charts.

9. The ninth part of the document includes a list of tables. It provides a detailed breakdown of the data, including numerical values and descriptive statistics.

10. The tenth part of the document includes a list of footnotes. It provides additional information that is not included in the main body of the document, such as corrections and clarifications.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;
 C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;
 US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;
 P = price in the Contract;
 E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical analysis performed.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend of increasing activity over time.

4. The fourth part of the document discusses the implications of the findings. It suggests that the results have significant implications for the field of study and may lead to further research in this area.

5. The fifth part of the document provides a conclusion and a summary of the key findings. It reiterates the importance of accurate record-keeping and the need for ongoing research in this field.

6. The sixth part of the document includes a list of references and a bibliography. It cites various sources that have been consulted during the research process.

7. The seventh part of the document contains a list of appendices and a glossary. It provides additional information and definitions for the terms used in the document.

8. The eighth part of the document includes a list of figures and a list of tables. It provides a detailed description of each figure and table and its location within the document.

9. The ninth part of the document contains a list of footnotes and a list of references. It provides additional information and citations for the research.

10. The tenth part of the document includes a list of appendices and a glossary. It provides additional information and definitions for the terms used in the document.

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjust-

ment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending re-negotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract;

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provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial

disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to take or pay for gas by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a

consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, and that the gas to be delivered hereunder will be free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims

any or all persons to said gas or to royalties, taxes, or other charges there-
which attach before the title passes to Buyer or which may be levied and assess-
ed upon the sale thereof to Buyer. In the event of any adverse claim of any
character whatsoever being asserted in respect to any of said gas, Buyer may
retain, as security for the performance of Seller's obligations with respect to
such claim under this Section, the purchase price thereof up to the amount of
such claim, without incurring liability for interest, until such claim has been
finally determined or until Seller shall have furnished bond to Buyer condition-
ed for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract
all of its reserves.
2. Commencing in the year 1963, prior to July 1 of said year and of
each odd numbered year thereafter during the term hereof, Seller and Buyer
will conduct a joint study of Seller's reserves dedicated hereto and the deliver-
ability therefrom to determine whether or not Seller is capable of performance
of this Contract, and, if capable, whether Seller has dedicated to its perfor-
mance reserves in excess of those required for performance of this Contract.
In the event Seller and Buyer are unable to agree upon the amount of reserves
dedicated hereto or the deliverability therefrom, or both, a qualified independ-
ent consulting engineer or firm (herein referred to as "Consultant") shall be
selected by the parties in the following manner to determine the matter in
question. Seller and Buyer shall immediately exchange lists each containing
in the order of preference the names of not less than five acceptable Consultants.

The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that deliverability is sufficient but reserves are insufficient, then Seller may, within six (6) months from and after such determination, make available and dedicate to this Contract such additional uncommitted quantities of gas as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are economically producible and available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(ii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to

perform this Contract for the remainder of the term hereof, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Every controversy or claim accruing out of or relating to this Contract, or the alleged breach thereof, will be settled by arbitration according to law pursuant to the rules then obtaining of the American Arbitration Association, and judgment upon the award so rendered may be entered in any court having jurisdiction thereof.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors

and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd. ,
140 - 6th Avenue S. W.
Calgary, Alberta

SELLER: Mobil Oil of Canada, Ltd.
Mobil Oil Building
Calgary, Alberta, Canada

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon.

Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

7. All prior oral and written agreements between the parties relating to the subject matter hereof are superseded hereby and merged herein.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

MOBIL OIL OF CANADA, LTD.

By _____

"SELLER"

By _____

ALBERTA AND SOUTHERN GAS CO. LTD.

By _____

"BUYER"

By _____

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1801. It is a very important document, as it contains the President's first message to the Congress.

2. The second part of the document is a report from the Secretary of the Navy, dated January 10, 1801. It contains information about the state of the Navy and the ships that are in service.

3. The third part of the document is a report from the Secretary of the Treasury, dated January 15, 1801. It contains information about the state of the Treasury and the finances of the government.

4. The fourth part of the document is a report from the Secretary of the War, dated January 20, 1801. It contains information about the state of the War and the troops that are in service.

5. The fifth part of the document is a report from the Secretary of the Interior, dated January 25, 1801. It contains information about the state of the Interior and the lands that are in service.

6. The sixth part of the document is a report from the Secretary of the Education, dated February 1, 1801. It contains information about the state of the Education and the schools that are in service.

7. The seventh part of the document is a report from the Secretary of the Agriculture, dated February 5, 1801. It contains information about the state of the Agriculture and the crops that are in service.

8. The eighth part of the document is a report from the Secretary of the Commerce, dated February 10, 1801. It contains information about the state of the Commerce and the trade that is in service.

9. The ninth part of the document is a report from the Secretary of the Marine, dated February 15, 1801. It contains information about the state of the Marine and the ships that are in service.

ALHAMBRA AREA GAS PURCHASE OPTION AGREEMENT

Between

MOBIL OIL OF CANADA, LTD.

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

THIS AGREEMENT made this 29th day of November, 1957

BETWEEN:

MOBIL OIL OF CANADA, LTD., a corporation incorporated under the laws of the State of Delaware in the United States of America and authorized to carry on business in the Province of Alberta in the Dominion of Canada
(hereinafter called "Producer")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD. a body corporate, having an office and carrying on business in the City of Calgary, in the Province of Alberta,
(hereinafter called "Gas Company")

OF THE SECOND PART

WHEREAS:

- A. Producer now owns or controls petroleum and/or natural gas rights or interests and may hereafter acquire similar rights or interests in that area of land (hereinafter called "the said area") outlined by a heavy black line on the map attached hereto and marked Schedule "A" and by this reference made a part hereof, and Producer expects to develop and have gas available for sale therefrom; and
- B. Gas Company is engaged in the purchase of gas for a pipeline project having for its principal purpose the transportation of pipeline gas to markets in the State of California; and
- C. Gas Company has entered into several gas purchase contracts in connection with said pipeline project and would like to enter into additional contracts for the purchase of gas for said project; and

D. As a part of said pipeline project, Gas Company or its nominee will construct, operate and maintain the pipeline facilities commencing in the so-called "Windfall Area" of Alberta and extending to Crow's Nest Pass in British Columbia for handling the gas purchased from Producer hereunder; and

E. For the reasons aforesaid, Gas Company desires to have the right to purchase pipeline gas available for sale by Producer within the said area, and Producer is willing to give Gas Company the right to purchase the same subject to the terms of this agreement.

NOW, THEREFORE, in consideration of the premises, the parties agree as follows:

1. Producer hereby gives and grants to Gas Company the exclusive right and option, irrevocable within the time herein specified for acceptance, to purchase from Producer, subject to the terms and conditions of the form of Gas Purchase Contract attached hereto and marked Schedule "B", all of the gas which Producer may, from time to time (i) discover or acquire within the said area which Producer does not desire to use at any time in any repressuring, recycling, or secondary recovery program; or (ii) have available for sale as pipeline gas from oil and condensate fields in the said area upon the curtailment or cessation of any repressuring or recycling program in such fields.

2. Upon any such gas becoming available as aforesaid in the said area, Producer shall forthwith give Gas Company notice thereof (hereinafter called "Producer's notice"). Producer shall attach to Producer's notice a plat showing the location of the discovery well or wells and the lands owned or controlled by Producer in the vicinity thereof which in Producer's opinion contain

gas in commercial quantities (hereinafter called "the said lands"). Producer's notice shall contain Producer's best estimate of the proven and probable reserves underlying the said lands, but Producer shall not guarantee the correctness of such estimate and shall not incur any obligation or liability, direct or consequential, in the event the said lands do not contain said estimated reserves.

3. Within one (1) year from the date of the receipt of Producer's notice, Gas Company shall give Producer notice whether or not it elects to purchase the gas designated therein. If Gas Company elects not to purchase such gas, this agreement, at the option of Producer, shall terminate.

4. If Gas Company elects to purchase such gas, it shall specify in its said notice the minimum reserves which it reasonably believes are necessary to justify a pipeline extension to the said lands, and the date when it will commence taking the gas, which date shall not be later than three (3) years after the effective date of the Gas Purchase Contract entered into in accordance with Paragraph 6.

5. Upon receipt of notice from Gas Company of its election to purchase such pipeline gas, Producer shall commence such development operations on the said lands as are necessary in its sole opinion to develop the said lands, provided that nothing herein shall be construed to require Producer to drill a well or wells on said lands. In the event Producer is unable to prove up the minimum reserves referred to in Paragraph 4, Producer shall notify Gas Company and specify the amount of reserves it has or will be able to prove up. Gas Company shall thereupon notify Producer whether

The first thing I noticed when I stepped out of the car was the
familiarity of the air. It was the same as the air I had
breathed in my childhood home. The sun was shining
brightly, and the birds were singing. I felt a sense of
peace and tranquility that I had never experienced before.
I had heard that the weather was perfect, but I didn't
realize how much I needed it. I had been living in a
city where the air was always polluted and the noise was
constant. Now, I was in a place where the air was clean
and the silence was refreshing. I had found a new home.
I had found a place where I could finally relax and
be myself. I had found a place where I could start
over and make a new life for myself. I had found a
place where I could be happy. I had found a place where
I could belong. I had found a place where I could
finally feel at home.

it desires to withdraw its election to purchase such gas or to purchase such gas on the basis of the reduced reserve figure; provided, however, that if Producer is able to develop proven reserves of at least 200 billion cubic feet, Gas Company cannot withdraw its election to purchase such gas. If Gas Company withdraws its election to purchase such gas, this agreement, at the option of Producer, shall terminate.

6. After the reserves have been developed as above provided, the parties shall enter into a Gas Purchase Contract in the form, mutatis mutandis, of Schedule "B", except that if prior to the date of execution of said contract Gas Company has entered into any contract with any other producer for the purchase of gas, other than oil field gas, meeting the quality requirements of Article V of Schedule "B", in the Province of Alberta under terms (including delivery conditions and price) which are considered by Producer to be more favorable to that producer than those fixed in Schedule "B", Schedule "B" shall be revised so as to substitute as appropriate the form and substance of such other contract. It is understood that in making such substitution all properly applicable terms of such other contract will be incorporated rather than only those which Producer may consider would be more favorable to it. If the parties are unable to agree upon the appropriate dates, quantities and field description to insert in the blanks in the said Schedule "B", the matter or matters in issue shall be referred to and determined by arbitration conducted in accordance with the provisions of Article XV of said Schedule "B".
7. Nothing herein contained shall be construed as requiring Producer to drill a well or wells within the said area, but the sale of gas from the said

area by Producer shall be subject to the terms of this agreement.

8. Any notice to be given under the terms of this agreement shall be in writing directed to the party to whom given at such party's address as follows:

Mobil Oil of Canada, Ltd.
Mobil Oil Building,
Calgary, Alberta, Canada

Producer

Alberta and Southern Gas Co. Ltd.
140 - 6th Avenue S. W.
Calgary, Alberta

Gas Company

Either party may change its address by giving written notice to the other party.

9. This agreement shall be effective as of the date hereof and shall continue for a period of Ten (10) years or until Gas Company has been offered gas reserves under this agreement and that certain Virginia Hills agreement of even date herewith totalling at least 912.5 billion cubic feet, whichever shall first occur.

10. Each party shall do and perform all such acts and things, execute and deliver all such instruments, documents and writings, and give all such assurances as may be necessary to give full effect to the provisions and intent of this agreement.

11. The word "reserves" shall have the meaning given for such word in Schedule "B".

12. Producer may terminate this agreement at any time if Gas

Company is effectively prevented from full performance hereunder by any cause, whether governmental regulations or otherwise, or if it becomes reasonably probable that Gas Company will not be able to comply with the provisions of this agreement, or if Gas Company or its nominee fails to commence construction by January 1, 1961 of the facilities required to transport gas to markets in the State of California, and on execution of the Gas Purchase Contract attached as Schedule "B" this agreement shall terminate as to the lands described in said Gas Purchase Contract.

13. There shall be no modification of the terms and provisions of this agreement

~~contract~~-except in writing signed by the party or parties to be bound thereby.

A. O. D.

J. K. H.

14. It is expressly understood and agreed that Producer does not warrant its title to all or any part of said lands.

15. This agreement embodies the entire contract between the parties hereto in respect to the said area or any portion or portions thereof, and all prior agreements and negotiations between the parties pertaining to the subject matter of this agreement are merged herein.

16. This agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns, provided that this contract shall not be assignable by either party without the written consent of the other party.

IN WITNESS WHEREOF this agreement has been properly executed by the parties hereto as of the day and year first above written.

MOBIL OIL OF CANADA, LTD.

By A. O. Detmar

Vice President

(Seal)

(Seal)

By H. E. McCombs

Secretary

ALBERTA AND SOUTHERN GAS CO. LTD.

By J. K. Horton

President

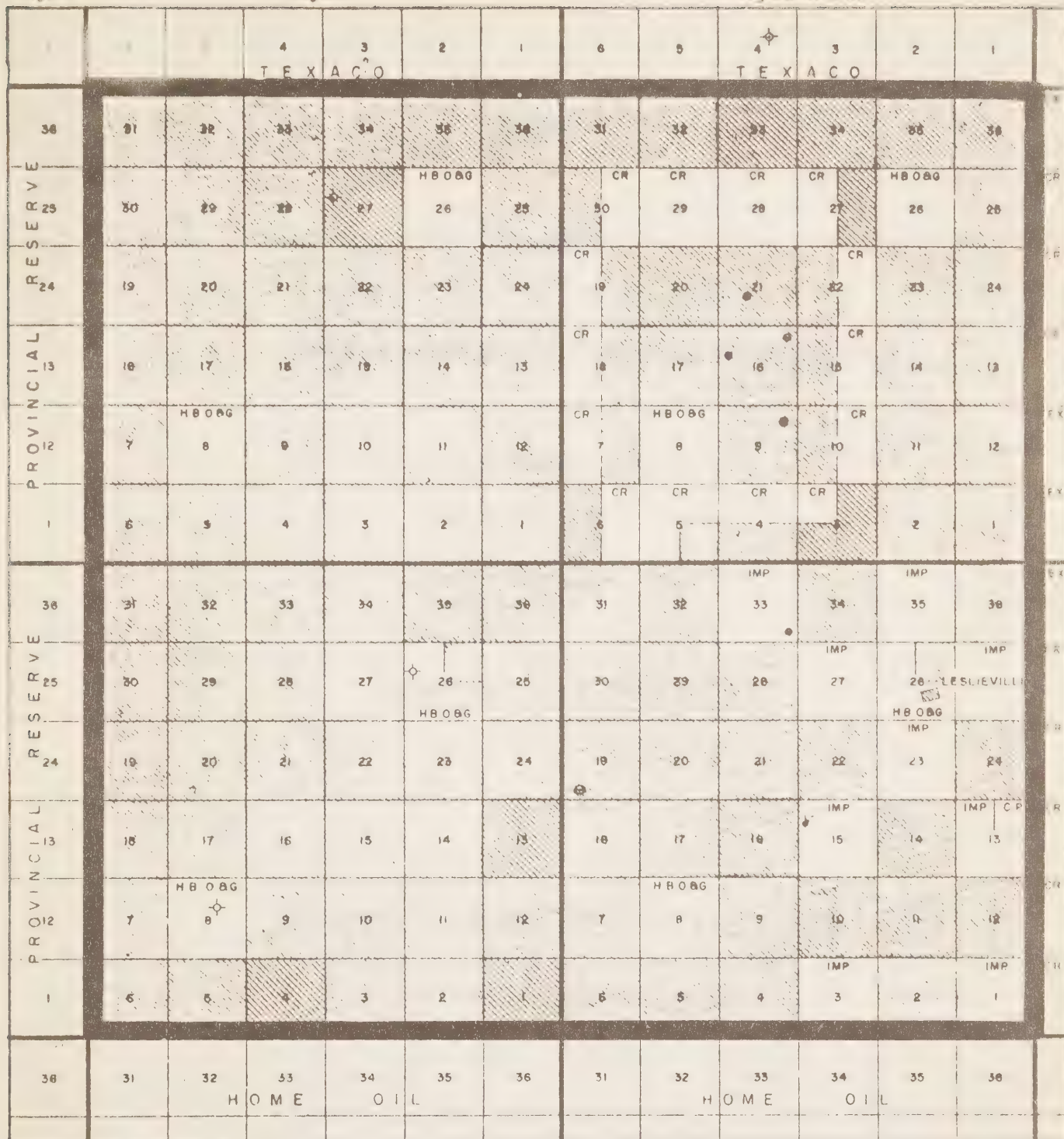
By R. L. Winton

Secretary

Rge 7

Rge 6

Rge 5 W 5 M.



MOBIL OIL 100%

MOBIL OIL OF CANADA, LTD.
CALGARY ALBERTA

ALHAMBRA AREA

SCALE: 1" = 10,000'

SCHEDULE A

SCHEDULE "B"

TO

OPTION AGREEMENT FOR GAS PURCHASE

ALHAMBRA AREA

Between

MOBIL OIL OF CANADA, LTD.

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

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THIS GAS PURCHASE CONTRACT made the _____ day of _____
1957.

BETWEEN

MOBIL OIL OF CANADA, LTD.,
a corporation incorporated under the laws
of the State of Delaware in the United States
of America and authorized to carry on
business in the Province of Alberta in the
Dominion of Canada,
(hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and
carrying on business in the City of Calgary,
in the Province of Alberta,
(hereinafter referred to as "Buyer")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric Com-
pany, a California corporation, hereinafter referred to as "P. G. and E.";

AND WHEREAS P. G. and E. and certain subsidiaries (including
Buyer) and/or affiliates of P. G. and E., hereinafter referred to as "the
participants", propose to construct and operate a natural gas pipeline project,
hereinafter called "The Project", having for its principal purpose the trans-
portation of gas purchased by Buyer to the existing integrated transmission
and distribution system of P. G. and E. in the State of California;

AND WHEREAS Seller owns or controls petroleum and natural gas
rights or interests therein in the _____ Field, as same is

outlined by the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with natural gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A. M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A. M. on the first day of a calendar month and ending at 8:00 o'clock A. M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date natural gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other

constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(j) The term "Seller's lands" shall mean those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands,

and shall include any document evidencing such right.

(1) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable Canadian and United States laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If such authorization contains conditions that would preclude Buyer from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of fifteen (15) months from the date hereof all necessary

authorizations in form acceptable to the participants from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of twenty-four (24) months from the date hereof all other necessary authorizations, in form acceptable to the participants, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained, the participants will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to construct Seller's facilities. Each party hereto will use its best efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961 or the expiration of thirty (30) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, without limiting the generality of the foregoing, the right to determine when, whether and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself quantities of gas which may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said Field and may participate in any oil or gas proration, conservation, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said Field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use its best efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under the terms of applicable operating agreements in the case of a well jointly operated with other parties,

whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production.

ARTICLE IV - QUANTITY OF GAS

1. Seller and Buyer mutually agree that Seller's presently proven reserves are equal to a volume of not less than _____ Mcf per day for a twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially _____ Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas produced from Seller's lands to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller will endeavor to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer will, during

said period, endeavor to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of thirty (30) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volumes of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further

payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

3. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent (83-1/3%) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller is unable or elects not to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such

earlier time as Seller may request, Buyer shall have the right to reduce the Daily Contract Quantity to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

4. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipelines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen degrees (15°) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110°) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements.

Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable to remedy the deficiency, Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at _____ pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer,

provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at the point of delivery, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples or samples taken over a period of time. Samples shall be taken at reasonable

intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed, to be designated by Seller in writing.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV; and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth

in Subsection (i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive	.950
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075 to 1100 inclusive	1.075
For gas with a BTU content of more than 1100 to 1125 inclusive	1.100
For gas with a BTU content of more than 1125	1.125

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions herein-after set forth, pay to Seller one-half (1/2) of such new taxes or one-half (1/2)

of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half ($1/2$) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers other than Seller delivering gas to Buyer or Buyer's nominee, from fields other than oil fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this

Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;

C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;

US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;

P = price in the Contract;

E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One Hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjust-

ment formula applicable during such period determined by arbitration in accordance with Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending re-negotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract;

provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial

disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to take or pay for gas by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a

consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, and that the gas to be delivered hereunder will be free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims

of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all of its reserves.
2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the event Seller and Buyer are unable to agree upon the amount of reserves dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants.

The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that deliverability is sufficient but reserves are insufficient, then Seller may, within six (6) months from and after such determination, make available and dedicate to this Contract such additional uncommitted quantities of gas as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are economically producible and available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(ii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to

perform this Contract for the remainder of the term hereof, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Every controversy or claim accruing out of or relating to this Contract, or the alleged breach thereof, will be settled by arbitration according to law pursuant to the rules then obtaining of the American Arbitration Association, and judgment upon the award so rendered may be entered in any court having jurisdiction thereof.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

2. This Contract shall bind and inure to the respective successors

and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd.,
140 - 6th Avenue S. W.
Calgary, Alberta

SELLER: Mobil Oil of Canada, Ltd.
Mobil Oil Building
Calgary, Alberta, Canada

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon.

Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

GAS PURCHASE OPTION AGREEMENT

Between:

IMPERIAL OIL LIMITED

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.

OPTION AGREEMENT

THIS AGREEMENT made this 3rd day of
December, A.D. 1957.

B E T W E E N:

IMPERIAL OIL LIMITED, a body corporate
with Head Office at the City of Sarnia, in the
Province of Ontario, and registered to carry
on business in the Province of Alberta, (here-
inafter called "Producer"),

OF THE FIRST PART,

- and -

ALBERTA AND SOUTHERN GAS CO. LTD. ,
a body corporate having an office and carry-
ing on business in the City of Calgary, in the
Province of Alberta, (hereinafter called "Gas
Company"),

OF THE SECOND PART.

WHEREAS:

A. Producer now owns or controls petroleum and/or natural
gas rights or interests and may hereafter acquire similar rights or
interests in that area of land (hereinafter called "the said area") outlined
by a heavy black line on the map attached hereto and marked Schedule "A"
and by this reference made a part hereof, and Producer expects to
develop and have gas available for sale therefrom; and

B. Gas Company is engaged in the purchase of gas for a
pipeline project having for its principal purpose the transportation of gas
to markets in the State of California; and

C. Gas Company has entered into several gas purchase contracts in connection with said pipeline; and

D. The parties hereto recognize that certain quantities of gas in addition to those sold and purchased under the said several gas purchase contracts will be required by Gas Company from time to time for the expansion of the said project; and that each of the said gas purchase contracts and all other contracts for the sale and purchase of gas hereafter entered into by Gas Company together constitute the present and prospective supply of gas for the said project; and

E. The anticipated gas supply that may become available to Gas Company through the exercise of this option has been given consideration in locating the pipeline facilities of said project; and

F. For the reasons aforesaid Gas Company desires to have the right to purchase gas available for sale by Producer within the said area and within economic reach of the said project, and Producer is willing to give Gas Company the right to purchase the same within the period of time and up to the total quantity hereinafter provided, and otherwise subject to the terms of this Agreement.

NOW THEREFORE, in consideration of the premises the parties agree as follows:

1. Producer hereby gives and grants to Gas Company the exclusive right and option, irrevocable within the time herein limited for acceptance, to purchase from Producer subject to the provisions of

this Agreement and to the terms and conditions of the form of Gas Purchase Contract attached hereto and marked Schedule "B", all the gas which Producer shall, from time to time:

(i) discover or acquire within the said area in quantities which in Producer's opinion warrant further development for the purpose of producing and selling as pipeline gas, or

(ii) have available for sale as pipeline gas from oil and condensate fields upon the curtailment or cessation of any repressuring or recycling program in such fields,

excepting, however, those quantities of gas which Producer shall, in its sole discretion, deem necessary to sell and deliver to others:

(a) as a result of having heretofore or hereafter entered into any agreements affecting leases, including but not limited to farm-out, farm-in, operating, unit, pooling, unitization and carried interest agreements, and agreements involving the assignment of leases or portions thereof, or

(b) for the purpose of preventing drainage or otherwise protecting or maintaining its leases or for any other similar purpose.

2. Upon any such gas becoming available as aforesaid in the said area, Producer shall forthwith give Gas Company notice in writing thereof (hereinafter called "Producer's notice"). Producer shall attach to Producer's notice a plat showing the location of the discovery well or wells and the lands owned or controlled by Producer in the vicinity thereof of which in Producer's opinion contain gas in commercial quantities (hereinafter called "the said lands"). Producer's notice shall contain Producer's current estimate of the proven and probable reserves underlying the said lands.

3. Within six (6) months from the date of receipt of Producer's notice, Gas Company will elect to purchase the gas designated therein unless it concludes after a thorough study during said six (6) months period that it has prior gas purchase obligations which preclude the taking of such gas. In making such election Gas Company agrees to give priority, based on the date of receipt of Producer's notice, to the purchase of gas described therein over any gas which it is not then obligated to purchase or which is not covered by an earlier notice from a producer. If Gas Company receives two or more producers' notices upon the same date, preference will be given to the producer who was first in time with respect to the execution of the option agreement under which the particular notice is given. If Gas Company does not elect to purchase such gas, the said lands shall, at the election of Producer to be exercised on written notice to Gas Company, no longer be subject to this Agreement. If the said lands remain subject to this Agreement, the Producer's priority as established under this paragraph shall continue during the term of this Agreement.

4. If Gas Company elects to purchase such gas, it shall so notify Producer and specify in said notice the minimum reserves necessary to justify a pipeline extension to the said lands.

5. Upon receipt of notice from Gas Company of its election to purchase such pipeline gas, Producer shall commence and diligently conduct and carry on to completion such development as it deems necessary or advisable on the said lands for the purpose of obtaining proven reserves

sufficient to meet the minimum reserves requirement specified by Gas Company in its notice. The provisions of Article XII of Schedule "B" hereto with respect to force majeure shall apply, mutatis mutandis, to Producer's obligations under this clause. In the event Producer is unable by such development to prove up such minimum reserves within what it considers a reasonable period of time, it shall so notify Gas Company in writing and in such notice shall specify the amount of reserves it has or in its opinion will be able to prove up within a stated further period of time. Gas Company shall, within thirty (30) days thereafter, notify Producer in writing whether it desires to withdraw its election to purchase such gas or to purchase such gas on the basis of the reduced reserves figure. Failure by Gas Company to give such notice shall be deemed a withdrawal by it of its election to purchase such gas. If Gas Company withdraws its election to purchase such gas, the said lands shall no longer be subject to this Agreement.

6. After the reserves (whether in the minimum amount specified, or in the reduced amount, as the case may be) have been developed, as above provided, the parties shall enter into a Gas Purchase Contract in the form, mutatis mutandis, of Schedule "B", and dated as of the date when the minimum amount has been proved up, or Gas Company has notified Producer in writing that it desires to purchase the reduced amount of reserves, as the case may be, except that if prior to that date Gas Company has entered into any contract with any other producer for the purchase at the

outlet of a treating plant of gas other than oilfield gas in the said area under terms (including, but not limited to, delivery conditions and price) which are considered by Producer to be more favorable to that producer than those fixed in Schedule "B", Schedule "B" shall be revised so as to substitute as appropriate the form and substance of such other contract. It is understood that in making such substitution all properly applicable terms of such other contract will be incorporated rather than only those which Producer may consider would be more favorable to it. If the parties are unable to agree upon the appropriate dates and quantities to insert in the blanks in the said Schedule "B", the matter or matters in issue shall be referred to and determined by arbitration conducted in accordance with the provisions of Article XV of said Schedule "B".

It is understood and agreed, however, that Producer shall have the sole right to determine what shall be the outline of the Field, as shown on the map annexed to the said Gas Purchase Contract as Exhibit "A" thereto.

7. Nothing herein contained shall at any time be construed as requiring Producer to maintain or retain any of its leases, or any interest therein.

8. Nothing herein contained, except Paragraph 5, shall be construed as requiring Producer to drill a well or wells within the said area, but Producer shall not sell any gas from the said area other than to Gas Company unless Producer shall have first complied with this Agreement.

9. Any notice to be given under the terms of this Agreement shall be in writing to the party to whom given at such party's address as follows:

Imperial Oil Limited
300 - 9th Avenue West
Calgary, Alberta

Producer.

Alberta and Southern Gas Co. Ltd.
140 - 6th Avenue West
Calgary, Alberta

Gas Company.

Either party may change its address by giving written notice to the other party.

10. This Agreement shall be effective as of the date hereof and shall continue for a period of five (5) years or until Gas Company has been offered by Producer proven and/or probable gas reserves totalling not less than seven hundred and fifty billion (750,000,000,000) cubic feet under the provisions hereof, whichever shall first occur.

11. With respect to any gas which Gas Company elects to purchase hereunder, the word "reserves" shall have the meaning given for such word in Schedule "B" hereto; with respect to any gas which Gas Company does not elect to purchase, after having received Producer's notice with respect thereto, "reserves" shall mean Producer's current estimate of the proven or probable reserves contained in such notice.

12. Each party shall do and perform all such acts and things,

execute and deliver all such instruments, documents and writings, and give all such assurances as may be necessary to give full effect to the provisions and intent of this Agreement.

13. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their successors, but shall not be assignable by either party hereto without the consent in writing of the other party first had and obtained.

IN WITNESS WHEREOF this Agreement has been properly executed by the parties hereto as of the day and year first above written.

IMPERIAL OIL LIMITED

J. W. Hamilton (Seal)
Director

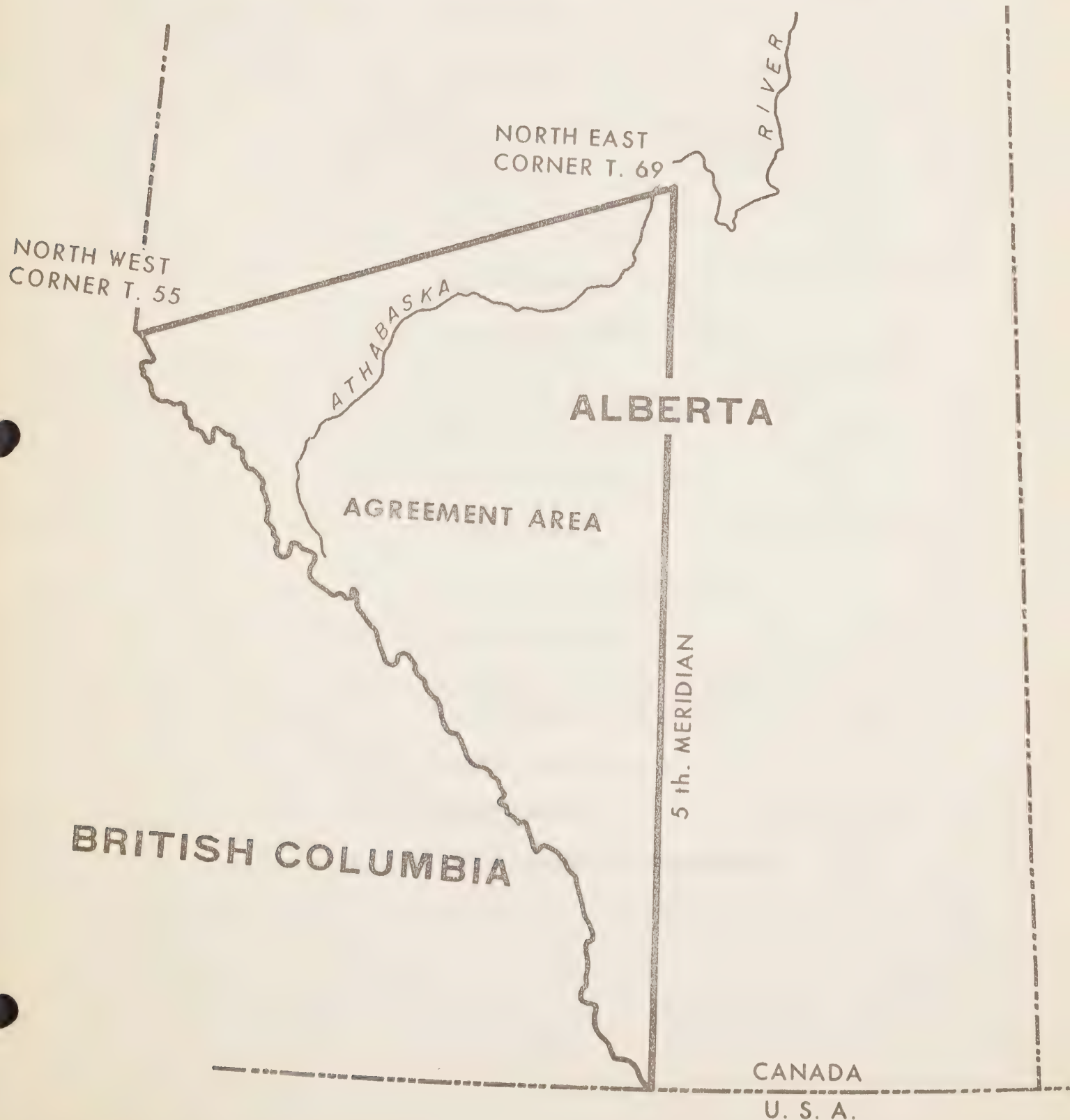
N. A. Bodrug
Assistant Secretary

ALBERTA AND SOUTHERN GAS CO. LTD.

J. K. Horton (Seal)
President

R. L. Winton
Secretary

**SCHEDULE " A " TO AN AGREEMENT
BETWEEN IMPERIAL OIL LIMITED
AND
ALBERTA AND SOUTHERN GAS COMPANY LIMITED**



REPORT ON THE RESULTS OF THE SURVEY
CONDUCTED IN THE YEAR 1900

BY THE COMMISSIONER OF THE GENERAL LAND OFFICE



SCHEDULE "B"

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THIS GAS PURCHASE CONTRACT made the day of
19

B E T W E E N:

IMPERIAL OIL LIMITED, a body corporate
with Head Office at the City of Sarnia, in the
Province of Ontario, and registered to carry
on business in the Province of Alberta, (here-
inafter referred to as "Seller")

OF THE FIRST PART

- and -

ALBERTA AND SOUTHERN GAS CO. LTD.,
a body corporate, having an office and carry-
ing on business in the City of Calgary, in the
Province of Alberta, (hereinafter referred to
as "Buyer")

OF THE SECOND PART

W I T N E S S E T H T H A T:

WHEREAS Buyer is a subsidiary of Pacific Gas and Electric
Company, a California corporation, hereinafter referred to as "P. G. and
E.";

AND WHEREAS P. G. and E. and certain subsidiaries (includ-
ing Buyer) and/or affiliates of P. G. and E., hereinafter referred to as
"the participants", propose to construct and operate a natural gas pipeline
project, hereinafter called "The Project", having for its principal purpose
the transportation of gas purchased by Buyer to the existing integrated trans-

mission and distribution system of P. G. and E. in the State of California:

AND WHEREAS Seller owns or controls petroleum and natural gas rights or interests therein in the _____ Field, as same is outlined by Seller by means of the heavy black line on the map marked "Exhibit A" annexed hereto; and Seller will have a supply of gas available from said Field and desires to sell such gas to Buyer;

AND WHEREAS Buyer proposes to purchase such gas from Seller together with gas from others for The Project.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I - DEFINITIONS

1. For the purpose of this Contract the following words and terms are defined as follows:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A.M. Mountain Standard Time.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A.M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The term "contract year" shall mean a period of twelve consecutive months beginning with the month of July, the first contract year to begin with the month of July next following the date gas is first delivered hereunder.

(d) The word "gas" shall mean either natural gas obtained from

the wells or the residue remaining after the natural gas has been treated for the removal of any of its constituent parts other than methane and for the removal of methane to such extent as is necessary in removing other constituents, as the context may require.

(e) The term "Buyer's facilities" shall mean the facilities constituting The Project, together with such gathering facilities if any, as may be built by others which are necessary to receive and transport the quantities of gas which Buyer undertakes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or its nominee to gather, process and deliver gas to Buyer in accordance with the terms and conditions of this Contract.

(g) The term "Mcf" shall mean one thousand (1000) cubic feet of gas as determined on the measurement basis set forth in Article VI hereof.

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "gross heating value" shall mean the number of BTUs in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.

(j) The term "Seller's lands" shall mean the formation underlying those lands in said Field in, under and from which Seller now has or may hereafter acquire the right to drill for, produce and dispose of gas, and the said right.

(k) The word "lease" shall mean any right of the Seller to drill for, produce and dispose of gas in, under and from Seller's lands, and shall include any document evidencing such right.

(l) The word "reserves" where used as a noun herein shall mean the quantities of merchantable gas which will be available to Seller from the total quantities of gas economically recoverable from Seller's lands after processing to satisfy the quality specifications of Section 1 of Article V hereof.

ARTICLE II - CONDITIONS

1. Before The Project can be constructed and operated, all permits, certificates, and other authorizations required under applicable laws and regulations must be obtained. Buyer represents that Buyer and the other participants in The Project will use diligent efforts to procure such authorizations. Buyer shall notify Seller in writing within thirty (30) days after each such authorization, in form acceptable to the participants, has been obtained, and furnish Seller a copy of such authorization. If in Seller's opinion such authorization contains conditions that would preclude Buyer and/or Seller from fully performing this Contract in accordance with its terms, Seller may within thirty (30) days after receipt of Buyer's notice give Buyer written notice of intention to terminate this Contract, stating in said notice the particular grounds of objection to the authorization; and unless Buyer shall promptly cause an application for rehearing to be made and such rehearing shall result in the authorization being modified within ninety (90)

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the methodology used in the study. The second part of the paper presents the results of the study and discusses the implications of the findings. The third part of the paper concludes the study and provides some final thoughts on the research.

The study was conducted using a qualitative research approach. The data was collected through interviews with participants who were selected based on their experience with the topic. The interviews were conducted in a semi-structured format, allowing the researcher to explore the topic in depth while also following a general outline of questions. The data was then analyzed using thematic analysis, which involves identifying themes or patterns in the data that relate to the research objectives.

The findings of the study suggest that there are several key factors that influence the outcomes of the research. These factors include the quality of the data, the reliability of the participants, and the effectiveness of the research methodology. The study also highlights the importance of careful planning and execution in conducting research of this nature.

In conclusion, the study provides valuable insights into the topic and highlights the need for further research in this area. The findings suggest that there are several key factors that influence the outcomes of the research, and that careful planning and execution are essential for conducting research of this nature. The study also highlights the importance of the research methodology and the quality of the data in determining the outcomes of the research.

days after such rehearing so as to meet Seller's objection, then this Contract shall terminate. In the event that on or before the expiration of twelve (12) months from the date hereof all necessary authorizations in form acceptable to the participants (and not having been objected to by Seller as aforesaid or if objected to by Seller and not corrected) from the governmental authorities of the Province of Alberta shall not have been obtained, Seller may terminate this Contract by written notice to Buyer within sixty (60) days thereafter, and in the event that on or before the expiration of eighteen (18) months from the date hereof all other necessary authorizations, in form acceptable to the participants, shall not have been obtained, Seller may at any time thereafter give Buyer sixty (60) days' written notice of its intention to terminate this Contract and, unless prior to the expiration of said sixty (60) day period all of said authorizations shall have been obtained, this Contract shall terminate at the end of said sixty (60) day period.

2. Buyer represents that immediately upon all such authorizations being obtained by the participants, they will proceed with due diligence to construct The Project, and Seller agrees that it will proceed with due diligence to drill and develop Seller's lands and construct Seller's facilities. Each party hereto will use diligent efforts to the end that The Project may be placed in operation by 30 November 1960. In the event Seller is capable of delivering into The Project the quantity of gas required hereunder by 30 June 1961, or the expiration of eighteen (18) months after all such authorizations have been obtained, whichever is the later, then, unless excused by Article XII hereof, Buyer shall thereafter pay for the quantity of gas it

is obligated hereunder to take, or pay for if it does not take.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves to itself the following rights, namely: to operate its properties, free from any control by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any of Seller's leases or gas wells cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on Seller's lands; to deliver to the persons entitled thereto the quantities of gas which such persons have reserved and are entitled to take in kind from Seller's lands; and to assign or farm out, subject to this Contract, any of Seller's leases.

2. Seller reserves to itself such quantities of gas as, in Seller's opinion, may be required for the development and operation of Seller's lands for the production of petroleum and natural gas, including but not limited to, gas for gas lift operations and return to reservoir so long as such gas lift operations and return to reservoir do not, in Seller's opinion, interfere with Seller's ability to deliver the quantity of gas required hereunder. Seller also reserves to itself sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants,

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the methodology used in the study. The second part of the paper presents the results of the study and discusses the implications of the findings. The third part of the paper concludes the study and provides some final thoughts on the research.

The study was conducted using a qualitative approach and involved interviews with a small number of participants. The data was analyzed using thematic analysis and the results were presented in a series of tables and figures. The study found that the majority of participants were satisfied with the results of the study and that the findings were consistent with the objectives of the research.

compressor stations, and other facilities for the processing or handling of the gas to be delivered hereunder and the products extracted therefrom.

3. Seller may extract or permit the extraction of non-hydrocarbons and hydrocarbons other than methane from the gas to be delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the gross heating value per cubic foot below one thousand (1000) BTUs unless required to do so to render the gas capable of meeting the quality specifications set forth in Article V hereof.

4. Seller may unitize any of Seller's leases in said field and may participate in any oil or gas proration, conservation, pressure maintenance, ratable taking or other similar program, provided that in the event Seller's leases are unitized with other properties in said field this Contract will cover Seller's interest in the unit derived from such leases and the gas attributable thereto, and provided further that in the event such unitization or other such program is entered into voluntarily by Seller, it shall use diligent efforts to protect Buyer's rights hereunder and to prevent an appreciable reduction or postponement in the delivery to Buyer of the quantities of gas set forth in Article IV hereof.

5. Seller shall not be required by the provisions hereof to produce any well in excess of its allowable rate of flow as fixed by law or regulatory bodies, or in excess of its maximum efficient rate of flow as determined by Seller, or in excess of the current rate of production permitted Seller under

the terms of applicable operating agreements in the case of a well jointly operated with other parties, whichever is the smallest quantity.

6. For the period prior to the date on which The Project is placed in operation and for periods during which Buyer is prevented from taking delivery of gas hereunder by any of the causes mentioned in Article XII, Seller shall have the right to sell and deliver gas to others in such quantities as may be necessary to prevent the flaring of gas or the termination of any of Seller's leases by reason of non-production or to prevent drainage.

ARTICLE IV - QUANTITY OF GAS

1. Seller estimates that its presently proven and probable reserves are equal to a volume of not less than _____ Mcf per day for a twenty-five (25) year period. The Daily Contract Quantity which is subject to increase or decrease from time to time pursuant to the provisions of this Contract is initially _____ Mcf per day. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver gas from its reserves to Buyer at the point of delivery referred to in Article VIII, when and as requested by Buyer, and Buyer agrees to purchase such gas from Seller as follows:

(i) In the event that the date of first delivery hereunder is prior to 30 June 1961, for the period from the date of first delivery to 30 June 1961, Seller shall use diligent efforts to deliver each day to Buyer the volume of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity and Buyer shall, during said period, use diligent

efforts to take an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity.

(ii) For the period beginning on 1 July 1961 or, if it be later, the date of first delivery hereunder, but in no event later than the expiration of eighteen (18) months after all authorizations referred to in Article II have been obtained, and ending the next succeeding June 30, and each contract year thereafter for the remainder of the term hereof, Seller shall deliver each day to Buyer the volumes of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity; and Buyer shall take during each contract year, if available hereunder, or pay for, if available and not taken hereunder, a minimum average daily volume equal to ninety percent (90%) of the Daily Contract Quantity; provided, however, that Buyer shall take, if available hereunder, not less than a minimum average daily volume equal to eighty percent (80%) of the Daily Contract Quantity during each month and not less than a minimum volume equal to seventy-five percent (75%) of the Daily Contract Quantity on each and every day.

2. Seller agrees that it will endeavour to increase its available reserves. In the event that by 1 July 1959 said reserves, as agreed to by Seller and Buyer or, if they are unable to agree, as determined by a Consultant selected in accordance with the provisions of Section 2 of Article XIV, are equal to a volume of not less than one hundred and twenty-five percent (125%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, then, subject to the obtaining of all necessary permits, certificates

and other authorizations, Buyer and Seller agree to increase the initial Daily Contract Quantity by twenty-five percent (25%), effective 1 July 1962; provided, further, that if by 1 July 1960 the said reserves, as agreed to or determined as aforesaid, are equal to a volume of not less than one hundred and fifty percent (150%) of the initial Daily Contract Quantity per day for a twenty-five (25) year period, the initial Daily Contract Quantity, subject to obtaining all necessary permits, certificates and other authorizations, will be increased by fifty percent (50%), effective 1 July 1963.

3. Seller agrees that Seller's facilities and the number of wells which Seller drills initially, and from time to time thereafter, shall be sufficient, with reasonable allowance for anticipated decreases in deliverability for any cause, including pressure decline, to enable it to deliver one hundred and twenty percent (120%) of the initial Daily Contract Quantity on the date The Project is ready for operation, or upon the expiration of twenty-four (24) months from the date of this Contract, whichever shall be the later, and one hundred and twenty percent (120%) of the Daily Contract Quantity, as it may exist from time to time, thereafter; provided, however, that Seller shall not be required to carry its development program, with respect to Seller's lands, beyond what Seller considers to be the economic limits.

4. If Buyer fails to take an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity for any period specified in Subsection (ii) of Section 1 of this Article, Buyer shall have the right during

the next two succeeding contract years after it has taken an average daily quantity equal to ninety percent (90%) of the Daily Contract Quantity during each such year, to take without further payment a quantity of gas up to the quantity paid for but not taken, but not to exceed on any one day, unless Seller consents thereto, a total volume greater than one hundred and twenty percent (120%) of the Daily Contract Quantity.

5. If Seller fails for any twenty (20) days during any month to deliver to Buyer the daily quantity of gas requested by Buyer up to one hundred and twenty percent (120%) of the Daily Contract Quantity (Buyer being ready, able and willing to take and pay for such quantity of gas) Buyer may notify Seller in writing of such failure or failures. Seller shall have such time as may be necessary, but in no event more than six (6) months from the date of receipt by Seller of Buyer's notice, in which to restore its ability to deliver such quantity, during which period the Daily Contract Quantity shall be reduced temporarily to a volume equal to eighty-three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the twenty (20) days on which Buyer's notice was based. In the event Seller's attempts to restore its ability to deliver one hundred and twenty percent (120%) of the Daily Contract Quantity in effect prior to such notice are unsuccessful, as evidenced by Seller's failure to deliver such quantity on each day of a thirty (30) consecutive day test conducted by Seller and Buyer for the thirty (30) day period commencing on the day following the end of said six (6) months period, or at such earlier time

The first part of the paper discusses the importance of maintaining accurate records of all transactions. It is essential for the business to have a clear and concise record of all income and expenses. This will allow the business to track its financial performance over time and identify areas for improvement. The second part of the paper discusses the importance of maintaining accurate records of all assets and liabilities. This will allow the business to track its net worth over time and identify areas for improvement. The third part of the paper discusses the importance of maintaining accurate records of all taxes paid. This will allow the business to track its tax liability over time and identify areas for improvement. The fourth part of the paper discusses the importance of maintaining accurate records of all debts. This will allow the business to track its debt liability over time and identify areas for improvement. The fifth part of the paper discusses the importance of maintaining accurate records of all equity. This will allow the business to track its equity over time and identify areas for improvement. The sixth part of the paper discusses the importance of maintaining accurate records of all other financial information. This will allow the business to track its overall financial performance over time and identify areas for improvement. The seventh part of the paper discusses the importance of maintaining accurate records of all other financial information. This will allow the business to track its overall financial performance over time and identify areas for improvement. The eighth part of the paper discusses the importance of maintaining accurate records of all other financial information. This will allow the business to track its overall financial performance over time and identify areas for improvement. The ninth part of the paper discusses the importance of maintaining accurate records of all other financial information. This will allow the business to track its overall financial performance over time and identify areas for improvement. The tenth part of the paper discusses the importance of maintaining accurate records of all other financial information. This will allow the business to track its overall financial performance over time and identify areas for improvement.

as Seller may request, Buyer shall have the right to reduce the Daily Contract Quantity to a volume equal to eighty three and one-third percent ($83\frac{1}{3}\%$) of the average daily volume of gas Seller delivered to Buyer during the last fifteen (15) days of said delivery test.

6. If in any contract year there are in effect two or more volumes representing the Daily Contract Quantity, then Buyer's minimum obligation for such contract year to pay for gas, whether or not taken, shall be based upon the sum of the products of ninety percent (90%) of each such volume and the number of days each such volume was in effect.

ARTICLE V - QUALITY OF GAS

1. The gas delivered hereunder shall be merchantable gas, at all times complying with the following quality requirements:

(i) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred and seventy-five (975) BTUs per cubic foot, but, with the consent of Buyer, gas at a lower gross heating value may be delivered.

(ii) Freedom from Objectionable Matter: The gas delivered by Seller hereunder:

(a) Shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipe lines or which may interfere with its transmission through pipe lines or its commercial utilization.

(b) Shall not have a hydrocarbon dew-point in excess of fifteen

degrees (15⁰) Fahrenheit at pressures up to eight hundred (800) pounds per square inch gauge.

(c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

(d) Shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.

(e) Shall not contain more than two percent (2%) by volume of carbon dioxide.

(f) Shall not contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet.

(g) Shall not exceed one hundred and ten degrees (110⁰) Fahrenheit in temperature at the point of delivery.

(h) Shall be as free of oxygen as Seller can keep it through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths of one percent (0.4%) by volume of oxygen.

2. Tests to determine the total sulphur, hydrogen sulphide, carbon dioxide and oxygen content of the gas at the point of delivery shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content of such gas shall be determined by Seller, at Seller's expense, by the use of a dew-point apparatus approved by Buyer and Seller. Tests shall be made by Seller frequently enough to assure that the gas is conforming continuously to the quality requirements. Buyer shall have the right to require Seller to take reasonable measures to

remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right, in addition to all other remedies available to it by law, to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If Seller is unable by such reasonable measures to remedy the deficiency, Buyer shall have the right to reduce the Daily Contract Quantity, as provided in Article IV, to eighty three and one-third percent (83-1/3%) of the volume which the Seller can deliver in conformity with the quality requirements hereof.

ARTICLE VI - MEASUREMENT

1. Unit of Measurement: The unit of volume for purposes of measurement hereunder, except for gross heating value, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute. For purposes of measurement the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at pounds per square inch absolute.

2. Sales Unit: The sales unit of the gas delivered hereunder shall be one thousand (1000) cubic feet.

3. Method of Measurement: All measuring equipment, devices and materials required in this Article shall be installed, maintained, and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring equipment provided it does not interfere with the use of Buyer's equipment. In determining the volumes of gas delivered by

Seller to Buyer at the point of delivery the following practices shall prevail:

(i) Metering: The gas shall be metered by one or more orifice meters installed and maintained, and volumes shall be measured (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in "Orifice Metering of Natural Gas", Gas Measurement Committee Report No. 3, of the American Gas Association, including the Appendix thereto, as published April 1955 or any subsequent revision thereof acceptable to Buyer and Seller. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is metered. To determine the factors for such correction a quantitative analysis of the gas shall be made at reasonable intervals with such apparatus as shall be agreed upon by Buyer and Seller, and such factors shall be obtained from data contained in "Supercompressibility Factors for Natural Gas", Volumes 1 through 6, inclusive, or in "Tables for the Determination of Supercompressibility Factors for Natural Gas Containing Nitrogen and/or Carbon Dioxide", Volume 7, as published by the American Gas Association in 1955, or any subsequent revision thereof acceptable to Buyer and Seller.

(ii) Specific Gravity: Tests to determine the specific gravity of the gas being metered shall be made by Buyer in accordance with the American Petroleum Institute's Recommended Practice 50A dated April 1953, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas being metered at the time such samples are taken and may be either spot samples or samples taken over a

period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The specific gravity determined by any test shall apply to the gas metered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test.

(iii) Temperature: The flowing temperature of the gas being metered shall be determined by means of a recording thermometer of a type acceptable to Buyer and Seller, installed and maintained by Buyer in accordance with the specifications set forth in said Gas Measurement Committee Report No. 3. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volume of gas metered during such day.

(iv) Correction and Adjustment: If at any time any of the measuring equipment is registering inaccurately by an amount exceeding two percent (2%) at a reading corresponding to the average hourly rate of flow since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. If the measuring equipment is out of service, the volume of gas delivered during such period shall be determined:

(a) by using the data recorded by any check measuring equipment

accurately registering; or

(b) if such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or

(c) if neither of the methods provided in (a) and (b) above can be used, by estimating the quantity delivered, by reference to deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made in the recorded volumes of gas delivered for inaccuracies in measuring equipment of two percent (2%) or less.

(v) Allocation of Gas: In the event that Seller's gas is commingled with gas of other producers in said Field at the point of delivery, the practices set forth in the preceding Subsections of this Section 3 shall be applicable to the said commingled gas and Seller shall cause the operator of the processing plant to advise Buyer as to how the commingled gas taken by Buyer at such point shall be allocated between Seller and such other producers.

4. Heating Value: Tests to determine the gross heating value of gas delivered shall be made by Buyer utilizing a Cutler-Hammer recording calorimeter, or the equivalent, operated and maintained in accordance with General Order No. 58B, "Standards of Calorimetry for Gaseous Fuels", approved December 28, 1955 by the Public Utilities Commission of the State of California, or any subsequent revision thereof acceptable to Buyer and Seller. The gas samples to be tested shall be representative of the gas delivered at the time such samples are taken and may be either spot samples

or samples taken over a period of time. Samples shall be taken at reasonable intervals by Buyer, provided that Buyer shall take additional samples when requested by Seller so to do. The gross heating value determined by any test shall apply to the gas delivered from the date the spot sample was taken or from the commencement date of a sample taken over a period of time, as the case may be, until the next test. The gross heating value per cubic foot of gas delivered shall be determined for any month by taking the arithmetical average of the daily heating values as determined in accordance with this Section 4.

ARTICLE VII - MEASURING AND TESTING EQUIPMENT

1. Testing Meter Equipment: The accuracy of Buyer's measuring equipment shall be verified by test, using means and methods acceptable to Seller, at least once each month and at other times upon request of Buyer or Seller. Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Tests and adjustments shall be made in the presence of and observed by a representative of Seller, if present, and if any of the measuring equipment is found to be registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If, after notice, Seller fails to have a representative present, the results of the test shall nevertheless be considered accurate until the next test. All tests of such measuring equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to

be two percent (2%) or less.

2. Inspection of Equipment: Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession for a period of at least six (6) years.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch. In the event that compression facilities are required to bring such gas to the pressure required by Buyer under this Section, then Seller shall have the option of installing such facilities, and in the event that Seller does not desire to install such facilities, then Buyer shall have the right to do so. In the event that both Buyer and Seller elect not to install compression facilities, then the Daily Contract Quantity shall be reduced to a volume equal to eighty-three and one-third percent (83-1/3%) of the daily quantity of gas Seller is then capable of delivering to Buyer at such delivery pressure. If Buyer requests gas at a pressure higher than herein provided and Seller is willing and able to maintain such higher pressure, then Seller shall be compensated for such higher pressure at a rate agreed upon between

Buyer and Seller.

2. The point of delivery of all gas delivered hereunder shall be where such gas leaves Seller's facilities and enters Buyer's facilities at a central point in the field or at the outlet of the plant where Seller's gas is processed.

3. Title to all gas delivered hereunder shall pass from Seller to Buyer at the point of delivery. Until passage of title Seller shall be deemed to be in control and possession of and be responsible for such gas, and thereafter Buyer shall be deemed to be in control and possession of and be responsible for such gas.

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) contract years or until the expiration of Buyer's authorization to remove gas purchased hereunder from the Province of Alberta, whichever first occurs.

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods, unless changed as hereinafter provided, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through June 30, 1961	13.50¢ per Mcf
From July 1, 1961 through June 30, 1962	14.50¢ per Mcf
From July 1, 1962 through June 30, 1963	15.25¢ per Mcf
From July 1, 1963 through June 30, 1964	15.75¢ per Mcf
From July 1, 1964 through June 30, 1965	16.25¢ per Mcf
From July 1, 1965 through June 30, 1966	16.50¢ per Mcf
From July 1, 1966 through June 30, 1967	16.75¢ per Mcf
From July 1, 1967 through June 30, 1968	17.00¢ per Mcf
From July 1, 1968 through June 30, 1973	17.25¢ per Mcf
From July 1, 1973 through June 30, 1978	18.50¢ per Mcf
From July 1, 1978 through June 30, 1983	19.75¢ per Mcf
From July 1, 1983 and thereafter during the term hereof	21.00¢ per Mcf

The foregoing prices are expressed in Canadian currency.

(ii) Buyer and Seller shall endeavor to renegotiate the prices to be paid pursuant to this Contract for the pricing period commencing on July 1, 1968 and at each five year interval thereafter during the term of this Contract.

(iii) In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration in accordance with Article XV and the arbitrators shall have the responsibility of determining fair market prices and the effective date thereof.

Regardless of anything herein elsewhere contained, any prices fixed by renegotiation or by arbitration shall in no event be effective earlier than the first day of such pricing period or be lower than the prices set forth

1. The first part of the report deals with the general situation of the country and the progress of the work during the year. It is divided into two main sections: the first section deals with the general situation of the country and the progress of the work during the year, and the second section deals with the specific results of the work.

2. The second part of the report deals with the specific results of the work. It is divided into three main sections: the first section deals with the results of the work in the field of research, the second section deals with the results of the work in the field of education, and the third section deals with the results of the work in the field of administration.

3. The third part of the report deals with the conclusions and recommendations. It is divided into two main sections: the first section deals with the conclusions and the second section deals with the recommendations. The conclusions are based on the results of the work and the recommendations are based on the conclusions.

4. The fourth part of the report deals with the appendix. It contains the following items: a list of the names of the members of the committee, a list of the names of the members of the staff, and a list of the names of the members of the public.

in Subsection (i) of this Section 1.

2. The prices stated in Subsection (i) of Section 1 of this Article X shall be applicable to gas delivered hereunder for any month with a gross heating value per cubic foot of gas of no more than one thousand and twenty-five (1025) BTUs and no less than one thousand (1000) BTUs. If the gross heating value per cubic foot of gas delivered hereunder for any month is less than one thousand (1000) BTUs or more than one thousand and twenty-five (1025) BTUs, the price of such gas shall be the product of the price stated in Subsection (i) of Section 1 of this Article X and the applicable multiplier selected from the following table:

<u>BTU Content</u>	<u>Multiplier</u>
For gas with a BTU content of less than 975 to 950 inclusive	.950
For gas with a BTU content of less than 1000 to 975 inclusive	.975
For gas with a BTU content of more than 1025 to 1050 inclusive	1.025
For gas with a BTU content of more than 1050 to 1075 inclusive	1.050
For gas with a BTU content of more than 1075 to 1100 inclusive	1.075
For gas with a BTU content of more than 1100 to 1125 inclusive	1.100
For gas with a BTU content of more than 1125	1.125

3. If at any time during the term of this Contract any new or increased occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect (not including income, capital stock, franchise or property taxes), other than or in excess of a tax prevailing as of the date hereof, shall be imposed by any lawful authority on the gas delivered to Buyer pursuant to this Contract or on or in respect to the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or indirectly, Buyer shall, subject to the conditions hereinafter

The first part of the report discusses the current state of the world's oceans and the impact of climate change on marine ecosystems. It highlights the increasing frequency of extreme weather events and the resulting damage to coastal infrastructure and communities. The report also notes the significant loss of biodiversity in marine environments due to overfishing and habitat destruction.

In the second part, the authors analyze the economic and social consequences of these environmental changes. They argue that the degradation of marine resources has led to a decline in the livelihoods of millions of people who depend on the sea for their food and income. Furthermore, the report points out that the loss of coastal protection has increased the vulnerability of coastal cities to sea-level rise and storm surges.

The third part of the report focuses on the need for international cooperation and action to address these challenges. It calls for the implementation of sustainable management practices for marine resources and the establishment of a global framework for coastal zone management. The authors emphasize that only through collective efforts can we ensure the long-term health and resilience of our oceans.

Country	Population (Millions)	Coastal Population (Millions)	Sea Level Rise (cm)
USA	325	100	100
China	1400	400	150
India	1200	300	120
Japan	125	100	80
UK	65	50	60
France	65	50	50
Germany	82	40	40
Italy	60	40	30
Spain	45	30	20
Sweden	9	5	10

The data presented in the table illustrates the significant impact of sea level rise on coastal populations across various countries. The USA and China, with their large coastal populations, are particularly vulnerable to the effects of rising sea levels. The report suggests that these countries should prioritize investments in coastal defense and adaptation strategies to protect their citizens and infrastructure.

Furthermore, the report discusses the role of international organizations in coordinating efforts to address these challenges. It calls for the establishment of a global fund to support coastal zone management projects in developing countries. The authors also emphasize the importance of public awareness and education in promoting sustainable coastal development.

In conclusion, the report underscores the urgent need for action to protect our oceans and coastal communities. It calls for a comprehensive approach that combines scientific research, policy-making, and community engagement to ensure a sustainable future for all.

set forth, pay to Seller one-half (1/2) of such new taxes or one-half (1/2) of any such increase in taxes. In case any such reimbursement of taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or additional taxes that it has paid, and within thirty (30) days after submission of such statement Buyer shall reimburse Seller to the extent of one-half (1/2) of such new or additional taxes as herein defined which Seller shall have so paid.

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order of any governmental authority having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted so that Seller will receive the same total payment as would have been received had no such change in the basis or method of measurement been made.

5. On or before August 15th of each year of the term hereof, commencing with the year 1968, Buyer will give written notice to Seller stating therein the weighted average of Buyer's cost per Mcf of gas purchased (including gas paid for but not taken) for the contract year ending on the immediately preceding June 30th, from gas producers other than Seller delivering gas to Buyer or Buyer's nominee, from fields other than oil fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's cost per Mcf is greater than the price per Mcf payable to Seller under the provisions of this

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be carefully documented to ensure the integrity of the financial data. This includes recording dates, amounts, and the nature of the transactions.

The second part of the document outlines the procedures for reconciling the accounts. It states that the accounts should be reconciled at the end of each month to identify any discrepancies. This process involves comparing the internal records with the bank statements and ensuring that they match.

The third part of the document describes the methods for analyzing the financial data. It suggests that the data should be analyzed on a regular basis to identify trends and patterns. This can help in making informed decisions about the future of the organization.

The fourth part of the document discusses the importance of maintaining a clear and concise record of all transactions. It states that the records should be easy to read and understand, and that they should be kept in a secure and accessible location.

The fifth part of the document outlines the procedures for auditing the accounts. It states that the accounts should be audited at least once a year by an independent auditor. This process involves reviewing the records and ensuring that they are accurate and complete.

The sixth part of the document describes the methods for reporting the financial data. It suggests that the data should be reported in a clear and concise manner, and that it should be presented in a way that is easy to understand.

The seventh part of the document discusses the importance of maintaining a clear and concise record of all transactions. It states that the records should be easy to read and understand, and that they should be kept in a secure and accessible location.

The eighth part of the document outlines the procedures for reconciling the accounts. It states that the accounts should be reconciled at the end of each month to identify any discrepancies. This process involves comparing the internal records with the bank statements and ensuring that they match.

The ninth part of the document describes the methods for analyzing the financial data. It suggests that the data should be analyzed on a regular basis to identify trends and patterns. This can help in making informed decisions about the future of the organization.

The tenth part of the document discusses the importance of maintaining a clear and concise record of all transactions. It states that the records should be easy to read and understand, and that they should be kept in a secure and accessible location.

Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder for any month during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas delivered hereunder during such month by an amount equal to the difference between such weighted average of Buyer's cost per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5. The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf, plus the amount per Mcf, if any, paid by Buyer to a producer for the kind of taxes included in Section 3 of this Article paid or payable by the producer, and such purchase price per Mcf shall be determined with respect to such other purchases on the same basis of quality (including BTU content), measurement, and terms and conditions of delivery as provided for gas delivered hereunder.

6. Currency Adjustment:

(i) During any month in which the arithmetical average of the daily exchange rate of Canadian currency and United States currency as published at Twelve o'clock (12:00) noon Eastern Standard Time or Eastern Daylight Time, as the case may be, by the Bank of Canada at the City of Ottawa, is not more than One Hundred and Five (105) United States Cents or not less than Ninety-five (95) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month shall be considered sold and purchased at the prices provided for herein

in Canadian currency.

(ii) During any month in which the average exchange rate determined as provided in Subsection (i) above is in excess of One Hundred and Five (105) United States Cents and is not more than One Hundred and Ten (110) United States Cents for One (1) Canadian Dollar, or is less than Ninety-five (95) United States Cents but not less than Ninety (90) United States Cents for One (1) Canadian Dollar, then the total quantity of gas delivered by the Seller to the Buyer in such month, subject to the provisions of Subsection (v) of this Section 6, shall be considered sold and purchased at the price in Canadian currency calculated as follows:

LET: P_c = price payable in Canadian currency during the month;
 C = the volume of gas sold out of The Project during such month to purchasers for use in Canada;
 US = the volume of gas sold out of The Project during such month to purchasers for use in the United States;
 P = price in the Contract;
 E = the average exchange rate during such month determined in accordance with the provisions of Subsection (i) above;

THEN: In case such average exchange rate exceeds One hundred and Five (105) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{105}{E} \right)$$

In case such average exchange rate is less than Ninety-five (95) United States Cents for One (1) Canadian Dollar:

$$P_c = \left(\frac{C}{C + US} \times P \right) + \left(\frac{US}{C + US} \times P \times \frac{95}{E} \right)$$

(iii) In the event that such average exchange rate exceeds One

Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for less than three (3) consecutive months, the price payable by Buyer to Seller for gas delivered hereunder during such months shall be adjusted in accordance with the applicable formula set forth in Subsection (ii) of this Section 6, using as the value of E, One Hundred and Ten (110) or Ninety (90) United States Cents, respectively, as the case may be.

(iv) In the event that such average exchange rate exceeds One Hundred and Ten (110) United States Cents or is less than Ninety (90) United States Cents for One (1) Canadian Dollar for at least three (3) consecutive months, then the currency adjustment formula to be used for such months and as long thereafter as such exchange rate prevails shall be renegotiated between Buyer and Seller; provided, however, that pending completion of such renegotiation the price payable by Buyer to Seller shall be calculated in accordance with the applicable formula set forth in Subsection (ii) of this Section 6. The currency adjustment formula agreed upon in such renegotiation shall be retroactive to the monthly periods during which such exchange rate exceeded One Hundred and Ten (110) United States Cents or was less than Ninety (90) United States Cents for One (1) Canadian Dollar, and the payments between Buyer and Seller shall be adjusted accordingly. If the parties are unable to agree upon a currency adjustment formula within six (6) months then either party shall have the right to have the currency adjustment formula applicable during such period determined by arbitration in accordance with

Article XV.

(v) In no event shall the value of "Pc" as calculated under the provisions of Subsections (ii), (iii), and (iv) (for the period pending re-negotiation as provided therein) of this Section 6 exceed or be less than the value of "P", as the case may be, by more than One (1) Cent per Mcf.

ARTICLE XI - BILLINGS AND PAYMENTS

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding. Seller shall render an invoice therefor as soon as practicable after receipt of said statement. Unless objected to by either party within thirty (30) days after either the receipt by Seller of said statement, or, if during said thirty (30) day period Seller has requested the related meter charts, after the receipt of such charts, said statement shall be accepted by both parties as correct. Buyer agrees to make payment (in Canadian currency) to Seller on or before the twenty-fifth day of such month or the tenth day after receipt of Seller's invoice, whichever shall occur later. Should Buyer fail to pay any amount due to Seller by the due date, interest thereon shall accrue at the rate of six percent (6%) per annum from such date until paid; and if such failure to pay continues for sixty (60) days, Seller thereafter may suspend deliveries of gas hereunder and if such failure continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries

or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount so due to Seller within such fifteen (15) day period. Either Buyer or Seller may submit to arbitration in accordance with Article XV any dispute as to the amount due Seller for gas delivered hereunder; and pending the arbitrators' award Seller's remedies hereinabove provided shall be suspended as to the amount in controversy.

2. If, by reason of the provisions of Article IV hereof that Buyer shall pay Seller for an average daily volume equal to ninety percent (90%) of the Daily Contract Quantity during each contract year, whether taken or not, a payment for gas not taken shall be due Seller from Buyer, such payment shall be made to Seller within sixty (60) days after the end of the contract year for which such payment shall be due. Said payment shall be based on the price in effect on the last day of said year. The provisions of Section 1 of this Article as to non-payment shall be applicable to this Section 2.

3. All calculations with respect to the price per Mcf of gas shall be carried to five significant figures and the price per Mcf as so calculated rounded to the nearest one-hundredth (1/100th) of a cent.

ARTICLE XII - FORCE MAJEURE

1. If either party to this Contract shall fail to perform any obligation hereby imposed upon it and such failure shall be caused, or materially contributed to, by any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots,

epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage of or accident to machinery or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain pipe, materials or equipment including those necessary for The Project, the order of any court or governmental authority, having jurisdiction in the premises, any act or omission (including failure to take gas) of a purchaser of gas from Buyer, of a transporter of gas to Buyer, or of a transporter of gas purchased by Buyer, which is occasioned by any event or occurrence of the character described in this Article XII as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party invoking this Article and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning wells, machinery, equipment, or pipelines, not resulting from the fault or negligence of such party, such failure shall not be deemed to be a breach of the obligation of such party hereunder, but such party shall use reasonable diligence to put itself again in a position to carry out its obligations hereunder. The foregoing provision shall be construed so as to reduce Buyer's obligation to pay for gas, whether or not taken, by an amount proportionate to the quantity of gas Buyer shall be unable to take in any contract year as a consequence of any of the aforementioned causes. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands

of opposing parties.

2. No such cause affecting the performance of this Contract by either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from its obligation to make payment of amounts then due hereunder, nor shall any such cause relieve either party from its obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

ARTICLE XIII - WARRANTY OF TITLE AND RESPONSIBILITY OF SELLER

Seller represents and warrants that it has full right and authority to enter into this Contract, that, subject to the applicable laws, rules and regulations, Seller shall use diligent efforts to maintain its leases in full force and effect for as long as in Seller's opinion gas can be produced therefrom in paying quantities, that Seller has title to the gas to be sold and delivered hereunder and that all such gas is owned and will be delivered by Seller free from all liens and adverse claims, including liens to secure payment of any taxes. Seller shall at all times have the obligation to make settlements for all royalties and overriding royalties due and payments to the mineral and royalty owners under Seller's leases and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases and other documents, and to make settlements with all other

persons having any interest in the gas sold hereunder. Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of any or all persons to said gas or to royalties, taxes, or other charges thereon which attach before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this Section, the purchase price thereof up to the amount of such claim, without incurring liability for interest, until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with respect to such claim.

ARTICLE XIV - RESERVES OF SELLER

1. Seller dedicates exclusively to the performance of this Contract all its reserves and Seller agrees, subject to the other provisions hereof, to make available to Buyer therefrom sufficient gas to ensure performance of this Contract.

2. Commencing in the year 1963, prior to July 1 of said year and of each odd numbered year thereafter during the term hereof, Seller and Buyer will conduct a joint study of Seller's reserves dedicated hereto and the deliverability therefrom to determine whether or not Seller is capable of performance of this Contract, and, if capable, whether Seller has dedicated to its performance reserves in excess of those required for performance of this Contract. In the

event Seller and Buyer are unable to agree upon the amount of reserves dedicated hereto or the deliverability therefrom, or both, a qualified independent consulting engineer or firm (herein referred to as "Consultant") shall be selected by the parties in the following manner to determine the matter in question. Seller and Buyer shall immediately exchange lists each containing in the order of preference the names of not less than five acceptable Consultants. The name appearing highest in the order of preference on both such lists shall be employed by the parties as the Consultant. In the event that there is no name in common to both such lists, or that there are two names accorded equally high preference (considering their respective positions on both lists), then the Consultant shall be selected by lot from among said two names accorded equally high preference, or, if there be no such names, from among the first names on each list. The Consultant so employed shall determine the matter in question as soon as feasible. The determination of the Consultant shall be final and binding on the parties, and the parties shall abide thereby. The fees and expenses of such Consultant shall be paid in equal proportions by the Buyer and Seller.

3. (i) In the event it is determined by the parties or the Consultant that reserves are sufficient, but deliverability is insufficient, Seller shall proceed with such additional development as may be necessary from time to time to comply with Section 3 of Article IV. In the event Seller shall fail within six (6) months from and after such determination to complete such additional development as may be necessary to comply with Section 3 of Article

IV, Buyer shall have the right, in addition to all other remedies available to it by law, to reduce the Daily Contract Quantity to eighty three and one-third percent (83-1/3%) of the deliverability.

(ii) In the event it is determined by the parties or the Consultant that deliverability is sufficient but reserves are insufficient, then Seller shall, within six (6) months from and after such determination, make available and dedicate to this Contract such additional uncommitted reserves as it may have or in the exercise of its sole discretion may acquire, as may be necessary to make up the deficiency in reserves and which are economically producible and available at a point of delivery satisfactory to Buyer. In the event Seller shall fail to make available the additional reserves necessary to make up such deficiency, Buyer shall have the right, in addition to all other remedies available to it by law, to reduce the Daily Contract Quantity in direct proportion to the deficiency in the reserves required for the performance of this Contract for the remainder of the term hereof.

(iii) In the event it is determined by the parties or the Consultant that Seller has dedicated reserves in excess of those required for Seller to perform this Contract for the remainder of the term hereof, Seller agrees to sell and Buyer agrees to purchase the gas from such excess reserves under the terms and conditions of this Contract, and the appropriate increase in the Daily Contract Quantity and the effective date thereof shall be agreed upon by Buyer and Seller or, if they fail to agree, shall be determined by arbitration as provided in Article XV. Buyer and Seller agree to use diligent endeavours

to procure all permits, certificates, and other authorizations necessary to make the gas from such excess reserves available for the purpose of The Project. In the event the parties cannot obtain such authorizations in form acceptable to them within one and one-half (1-1/2) years after the said appropriate increase has been agreed upon or determined, then at the election of Seller said excess reserves shall be considered surplus to this Contract and Buyer shall have no further right to, or control of, such excess reserves or any portion thereof and Seller may sell, use or otherwise dispose of any gas therefrom in any manner that Seller in its judgment may deem advisable.

4. Seller shall, from time to time at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells; provided, however, that Seller shall not be required to furnish any data the release of which would be prejudicial, in Seller's opinion, to its interests.

ARTICLE XV - ARBITRATION

Any arbitration provided for in this Contract or agreed to by the parties shall be conducted in accordance with the following procedures and principles:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall appoint an arbitrator and the two arbitrators so appointed shall promptly thereafter appoint a third. In the event more than one party has executed this Contract as Seller and more

than one of such parties is involved in the same controversy with Buyer, they shall be considered as one party. If either party shall fail to appoint an arbitrator within ten (10) days from the date of such demand, then the arbitrator shall be appointed by a judge of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon the application of either party, such third arbitrator shall be appointed by a judge of the Supreme Court of Alberta.

The arbitrators shall proceed immediately to hear and determine the matter in controversy. The award of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances.

The award of the arbitrators shall be drawn up in writing and signed by the arbitrators, or a majority of them, and shall be final and binding on the parties, and the parties shall abide by the award and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators the fees and expenses of the arbitrator named for the Seller shall be paid by Seller, the fees and expenses of the arbitrator named for the Buyer shall be paid by the Buyer and the fees and expenses of the third arbitrator shall be paid in equal proportion by the Buyer and the Seller.

ARTICLE XVI - MISCELLANEOUS PROVISIONS

1. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or

different character.

2. This Contract shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall release either party from such party's obligations hereunder without the written consent of the other party to such release, which consent shall not be unreasonably withheld. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

3. Every request, notice, statement and bill provided for in this Contract shall be in writing and each of them and every payment provided for herein shall be directed to the party to whom given, made or delivered at such party's address as follows:

BUYER: Alberta and Southern Gas Co. Ltd.
140 Sixth Avenue S. W.,
Calgary, Alberta.

SELLER: Imperial Oil Limited,
300 Ninth Avenue S. W.,
Calgary, Alberta.

Any notice hereunder shall be deemed to have been given 48 hours after such notice has been deposited in a post office with requisite postage thereon. Either party may change its address by giving written notice to the other party; provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in currency other than Canadian currency.

4. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

5. This Contract shall be construed in accordance with the laws of the Province of Alberta.

6. The headings used throughout this Contract are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any Article nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto as of the day and year first above written.

IMPERIAL OIL LIMITED

By _____

By _____

"SELLER"

ALBERTA AND SOUTHERN GAS CO. LTD.

By _____

By _____

"BUYER"

5. This Contract shall be construed in accordance with the laws of the

Province of Alberta.

6. The headings used throughout this Contract are inserted for refer-

ence purposes only and are not to be considered or taken into account in con-
struing the terms and provisions of any Article nor to be deemed in any way to
qualify, modify or explain the effect of any such term or provision.

IN WITNESS WHEREOF this Contract has been properly executed

by the parties hereto as of the day and year first above written.

IMPERIAL OIL LIMITED

By _____

By _____

"SELLER"

ALBERTA AND SOUTHERN GAS CO. LTD.

By _____

By _____

"BUYER"

